

**CONTENTS**

			<i>Page</i>
PART	4	LEVY OF TAX .....	3159
CHAPTER	1	DETERMINATION OF TAX .....	3159
Section	2151	Tax levy .....	3159
	2152	Entry of taxes .....	3159
	2152.5	Rejection of cent .....	3159
CHAPTER	2	EFFECT OF TAX .....	3160
Section	2186	Tax as judgment .....	3160
	2187	Realty tax lien .....	3160
	2188	Improvements .....	3160
	2188.1	Improvements assessed to other than owner of land .....	3161
	2188.2	Statement of separate ownership .....	3161
	2188.3	Condominium; separate assessment .....	3161
	2188.4	Leased land; separate assessment .....	3162
	2188.5	Planned developments; separate assessment .....	3162
	2188.6	Separate assessment of condominium units [Repealed] .....	3163
	2188.6	Separate assessment of condominium units .....	3163
	2188.7	Separate assessment of community apartment project or housing cooperative .....	3164
	2188.8	Separate assessment of time-share estates ..	3165
	2188.9	Separate assessment of a time-share project .....	3168
	2188.10	Separate assessment; mobilehome park portion .....	3169
	2188.11	Separate assessment; undivided interests ...	3171
	2189	Personalty .....	3171
	2189.1	Separately billed taxes on state-assessed personalty .....	3172
	2189.3	Personalty; certificate of security .....	3172
	2189.5	Gas and oil leases .....	3173
	2189.6	Water system improvements .....	3173
	2189.7	Floating homes .....	3174
	2189.8	Floating homes; tax clearance certificates ..	3174
	2190	Assessment of possessory interest in tax exempt property .....	3175
	2190.1	Real estate of Veterans Welfare Board .....	3175
	2190.2	Possessory interests .....	3175
	2191.3	Recording certificate of delinquency on certain types of property .....	3175

# **CONTENTS (Contd)**

		<i>Page</i>
2191.4	Lien upon all property in county .....	3177
2191.5	Lien subordinate to certain other liens .....	3177
2191.6	Removal and discharge of lien .....	3178
2192	Lien date.....	3178
2192.1	Priority of tax liens.....	3178
2192.2	Distribution of proceeds from sale.....	3179
2193	Effect of lien .....	3179
2193.3	Cotton tax lien; time of attachment [Repealed] .....	3179
2193.5	Cotton tax lien; different fiscal year [Repealed] .....	3179
2194	Removal of lien.....	3179
2195	Limitation .....	3180
2196	Removal of invalid lien .....	3181
CHAPTER 3	REIMBURSEMENT FOR COSTS	
	MANDATED BY THE STATE .....	3181
ARTICLE 1	DEFINITIONS.....	3182
Section 2201	Construction.....	3182
2202	“Ad valorem property taxation” .....	3182
2203	“City” .....	3182
2204	“Classification of property” .....	3182
2205	“Costs mandated by the courts” .....	3183
2206	“Costs mandated by the federal government” .....	3183
2206.5	“Costs mandated by initiative enactment”.	3183
2207	“Costs mandated by the state” [Repealed].	3184
2207.5	“Costs mandated by the state,” further defined [Repealed] .....	3184
2208	“County” .....	3184
2208.5	“School district” .....	3184
2208.7	“Board” [Repealed] .....	3184
2209	“Executive order” .....	3184
2210	“Law enacted after January 1, 1973” .....	3184
2211	“Local agency” .....	3184
2212	“Percentage change in cost of living” .....	3185
2213	“Property tax rate” .....	3185
2214	“Sales tax exemption” .....	3185
2215	“Special district” .....	3185
2216	Other agencies included in term “special district” .....	3185
2217	“District defined for Article XIII A” [Repealed] .....	3185

**CONTENTS (Contd)**

		<i>Page</i>
2218	“Claims”: “Test claim,” “claim of first impression,” “estimated claim,” “reimbursement claim” [Repealed].....	3185
2218.5	Filing claims [Repealed] .....	3185
2219	“Cost savings authorized by state” [Repealed] .....	3186
2219.5	“Cost savings authorized by state” [Repealed] .....	3186
ARTICLE 2	GENERAL PROVISIONS .....	3186
Section 2225	Constitutional authorization [Repealed] .....	3186
2226	Legislative intent [Repealed] .....	3186
2227	Department of Finance to transmit estimate of percentage change in population to cities and counties.....	3186
2228	Percentage change: special districts .....	3187
2228.1	Department of Finance to transmit estimate of percentage change in population to community college districts .....	3188
2229	Limitations on property tax exemptions enacted after January 1, 1973; state reimbursement; review by Legislative Analyst.....	3188
2230	State reimbursement for sales and use tax exemption enacted after January 1, 1973.....	3189
2230.5	Review by Department of Finance .....	3190
2231	State reimbursement for state mandated acts [Repealed] .....	3190
2231.5	Costs of state-mandated local programs; review [Repealed] .....	3190
2232	Reimbursed funds may be used for any public purpose .....	3190
2233	Limitation on amount of claims .....	3191
2234	State reimbursement for state mandated acts; reduction in property tax rate [Repealed] .....	3191
2235	Filing of claims .....	3191
2236	Insufficient funds; proration of claims [Repealed] .....	3191
2237	Levy of ad valorem taxes prohibited by school district [Repealed] .....	3191

**CONTENTS (Contd)**

	<i>Page</i>
2237.1 “Indebtedness Approved by the Voters Prior to July 1, 1978”; “Obligations” [Repealed] .....	3191
2237.2 Report of ad valorem taxes levied .....	3191
2237.3 Report of ad valorem taxes levied in fiscal years 1978–79 through 1982–83 .....	3193
2237.4 Failure to report .....	3194
2237.5 Unsecured roll; tax rates .....	3194
2238 Payment of late claims [Repealed] .....	3194
2239 Claims for costs mandated by the state before July 1, 1980; claims considered by Commission on State Mandates [Repealed] .....	3194
<b>ARTICLE 3 METHOD OF PROVIDING REIMBURSEMENT REVENUE FOR COSTS MANDATED BY STATE .....</b>	<b>3194</b>
Section 2240 Determination and appropriation of reimbursement revenue .....	3195
2241 Legislative Counsel to determine whether state reimbursement required .....	3195
2242 Department of Finance to prepare reimbursement estimates .....	3195
2243 Periods for which reimbursement estimates to be prepared .....	3195
2244 Legislative amendments requiring state reimbursement .....	3196
2245 Appropriations [Repealed] .....	3196
2246 Annual review of statutes and annual report to legislature .....	3196
2246.1 Annual report by Legislative Analyst [Repealed] .....	3196
2246.2 Reimbursement for statutes which increase the penalty for a crime or infraction .....	3196
<b>ARTICLE 3.5 CLAIMS AGAINST THE STATE FOR ADDITIONAL REIMBURSEMENT [Repealed] .....</b>	<b>3197</b>
<b>ARTICLE 3.6 CLAIMS FOR OFFSETTING LOCAL SAVINGS AGAINST STATE REIMBURSEMENTS [Repealed] .....</b>	<b>3197</b>
<b>ARTICLE 4 MAXIMUM PROPERTY TAX RATES ....</b>	<b>3197</b>
Section 2260 Maximum rates; rates excluded in determining .....	3198

**CONTENTS (Contd)**

	<i>Page</i>
2260.5	Maximum rates; comparison of rates having different assessment ratios ..... 3199
2261	Maximum rate; counties ..... 3199
2261.1	Maximum rate; counties; exception ..... 3199
2261.2	Maximum rate; decrease ..... 3199
2262	Maximum rate; cities..... 3199
2262.1	Adjustment of rate by cities [Repealed] ..... 3200
2262.2	Formation of a district by a city ..... 3200
2263	Maximum rate; special districts..... 3200
2263.1	Special districts formed between January 1, 1972, and August 31, 1973 ..... 3201
2263.2	Special districts formed after August 31, 1973..... 3201
2263.3	Adjustment of rate; special districts [Repealed] ..... 3202
2263.4	Maximum rate; harbor districts ..... 3202
2264	Maximum rate when alternate method for levying tax rate in special district is followed ..... 3202
2265	Voters may establish maximum rate ..... 3203
2266	Alternate procedure to establish maximum rate..... 3203
2266.1	Maximum rate for special districts when roll not based on full cash value ..... 3204
2266.2	“Property tax revenue” ..... 3204
2266.5	Alternate procedure to establish maximum rate..... 3204
2267	Maximum rate when 1971–72 or 1972–73 roll is in error ..... 3205
ARTICLE 5	ADDITIONAL PROPERTY TAX
	RATES ..... 3205
Section 2270	Additional rates for interest and redemption charges, retirement and pension benefits, payments to special funds..... 3205
2271	Additional rates for costs mandated by the federal government or the courts..... 3206
2271.1	Continuation of additional rates..... 3207
2271.2	Advisory guidelines..... 3207
2271.15	Continuation of additional rates; 1974 amendments to Fair Labor Standards Act..... 3207

**CONTENTS (Contd)**

	<i>Page</i>
2272 Additional rates to comply with provisions of streets and highways, government and public utility codes.....	3208
2273 Additional rates for contracts or leases signed before January 1, 1973 .....	3208
2273.1 Contracts or leases signed after January 1, 1973, but formal action taken to implement before that date .....	3209
2273.2 Contract or lease with federal government or state .....	3209
2274 Additional rates for emergency or general disaster.....	3210
2275 Additional rates for emergency or disaster damage to agency works or facilities ....	3211
2276 Additional rate for error in determining rate.....	3211
2277 Additional rate for cost of election .....	3211
2278 Additional rate for cost of governmental reorganization.....	3211
2279 Additional rate for costs of purchasing electrical power .....	3211
2279.1 Additional rate for interest and redemption charges .....	3212
2280 Additional rate for extraordinary costs of purchasing electricity .....	3212
2280.01 Additional rate for local agency .....	3213
2280.1 Additional rate to comply with Government Code .....	3213
ARTICLE 6 TAX RATE LIMIT ELECTIONS .....	3214
Section 2285 “Qualified voter of the local agency”; “landowner” .....	3214
2286 Maximum rate for agency formed after effective date; rate on ballot of formation election; election to increase rate; vote .....	3214
2287 Election according to law; mailed ballots [Repealed] .....	3215
2287.5 Maximum tax rate for local agencies formed without an election.....	3215
2288 Election procedure when none provided in formation law .....	3215
2289 Consolidation with other elections.....	3216

**CONTENTS (Contd)**

		<i>Page</i>
ARTICLE 7	GOVERNMENTAL REORGANIZATION: EFFECT ON MAXIMUM PROPERTY TAX RATES .....	3217
Section 2295	“Governmental reorganization” .....	3217
2296	Maximum rate when boundary changed ....	3217
2297	Maximum rate when boundary altered.....	3217
2298	Election when necessary or desirable to exceed maximum rate .....	3217
2299	Maximum rate on ballot in reorganization election .....	3217
ARTICLE 8	FUNCTIONAL CONSOLIDATION: EFFECT ON MAXIMUM PROPERTY TAX RATES .....	3218
Section 2305	“Functional consolidation” .....	3218
2306	Maximum rate when functional consolidation .....	3218
2307	Reduction in maximum rate for transferring agency.....	3218
2308	Additional rate for assuming agency.....	3219
2309	Additional rate in fiscal year after consolidation .....	3219
ARTICLE 9	REPORTING TAX LEVIES .....	3219
Section 2325	Report of rate to Controller.....	3219
2325.1	Error in establishing rate.....	3220
2326	Failure to file report by October 15 .....	3220
2327	Failure to file report; exception .....	3220

3158  
2003-1

Property Taxes Law Guide  
PROPERTY TAXATION

## PART 4. LEVY OF TAX

- Chapter 1. Determination of Tax. §§ 2151-2152.5.  
2. Effect of Tax. §§ 2186-2196.  
3. Reimbursement for Costs Mandated by the State. §§ 2201-2327.

### CHAPTER 1. DETERMINATION OF TAX

- § 2151. Tax levy.  
§ 2152. Entry of taxes.  
§ 2152.5. Rejection of cent.

**2151. Tax levy.** The board of supervisors shall fix the rates of county and district taxes and shall levy the state, county and district taxes as provided by law.

**2152. Entry of taxes.** The auditor shall then:

(a) Compute and enter in a separate column on the roll the respective sums in dollars and cents, rejecting the fractions of a cent, to be paid as a tax on the property listed. Notwithstanding any contrary provisions elsewhere set forth in the law, all rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.

(b) Place in other columns the respective amounts due in installments.

(c) Foot each column, showing the totals.

Provided, however, that if the assessment roll is a machine-prepared roll the above prescribed computations and entries may be made and entered upon a newly prepared roll which shall incorporate the adjustments authorized by the local board of equalization.

**History.**—Stats. 1947, p. 776, in effect September 19, 1947, added second sentence to subdivision (a). Stats. 1957, p. 964, in effect September 11, 1957, added last paragraph. Stats. 1963, p. 2901, in effect September 20, 1963, added subdivision (d). Stats. 1977, Ch. 246, in effect January 1, 1978, deleted subdivision (d).

**Mandamus to compel performance.**—It is the express duty of the auditor to recognize, compute and enter the tax levy in accordance with the rate fixed by the supervisors; mandamus will lie to compel performance of this duty. *Morton v. Broderick*, 118 Cal. 474.

**Extension of tax.**—Extension in a single sum of the amount of taxes on several lots does not invalidate the assessment. *Davis v. Day*, 98 Cal.App. 557.

**2152.5. Rejection of cent.** Notwithstanding the provisions of any other law of this State, if so ordered by resolution of the board of supervisors of any county, adopted prior to the time the county auditor is required to compute and enter on the secured roll the respective amounts due in installments as taxes for the assessment year in which such resolution shall become effective, the county auditor shall reject any cent not evenly divisible by two in the computation of taxes on any assessment and in the extension of taxes, special assessments or charges on the county assessment roll for any other public agency. The provisions of this section shall continue in effect in such county until otherwise ordered by resolution of the board of supervisors.

**History.**—Added by Stats. 1951, p. 1875, in effect September 22, 1951, Stats. 1961, p. 4049, in effect September 15, 1961, substituted "law of this State" for "section of this code" and added the language "and in the extension of taxes . . . for any other public agency" in the first sentence.

CHAPTER 2. EFFECT OF TAX

- § 2186. Tax as judgment.
- § 2187. Realty tax lien.
- § 2188. Improvements.
- § 2188.1. Improvements assessed to other than owner of land.
- § 2188.2. Statement of separate ownership.
- § 2188.3. Condominium; separate assessment.
- § 2188.4. Leased land; separate assessment.
- § 2188.5. Planned developments; separate assessment.
- § 2188.6. Separate assessment of condominium units. [Repealed.]
- § 2188.6. Separate assessment of condominium units.
- § 2188.7. Separate assessment of community apartment project or housing cooperative.
- § 2188.8. Separate assessment of time-share estates.
- § 2188.9. Separate assessment of a timeshare project.
- § 2188.10. Separate assessment; mobilehome park portion.
- § 2188.11. Separate assessment; undivided interests.
- § 2189. Personalty.
- § 2189.1. Separately billed taxes on state-assessed personalty.
- § 2189.3. Personalty; certificate of security.
- § 2189.5. Gas and oil leases.
- § 2189.6. Water system improvements.
- § 2189.7. Floating homes.
- § 2189.8. Floating homes; tax clearance certificates.
- § 2190. Assessment of possessory interest in tax exempt property.
- § 2190.1. Real estate of Veterans Welfare Board.
- § 2190.2. Possessory interests.
- § 2191.3. Recording certificate of delinquency on certain types of property.
- § 2191.4. Lien upon all property in county.
- § 2191.5. Lien subordinate to certain other liens.
- § 2191.6. Removal and discharge of lien.
- § 2192. Lien date.
- § 2192.1. Priority of tax liens.
- § 2192.2. Distribution of proceeds from sale.
- § 2193. Effect of lien.
- § 2193.3. Cotton tax lien; time of attachment. [Repealed.]
- § 2193.5. Cotton tax lien; different fiscal year. [Repealed.]
- § 2194. Removal of lien.
- § 2195. Limitation.
- § 2196. Removal of invalid lien.

**2186. Tax as judgment.** Every tax has the effect of a judgment against the person.

**Noninterest bearing.**—The declaration in this section that every tax has the effect of a judgment against the person can not be construed as giving it the effect of bearing interest. *People v. Central Pacific R. R. Co.*, 105 Cal. 576, aff'd 162 U.S. 91.

**2187. Realty tax lien.** Every tax, penalty, or interest, including redemption penalty or interest, on real property is a lien against the property assessed.

**History.**—Stats. 2002, Ch. 206 (SB 1494), in effect January 1, 2003, added “, penalty, or interest, including redemption penalty or interest,” after “Every tax” in the first sentence.

**Improvements on exempt land.**—Since improvements on exempt land are “real property,” the taxes on the improvements are a lien thereon. *People v. Smith*, 123 Cal. 70.

**Transfer to unsecured roll.**—Delinquent taxes on real property foreclosed under a deed of trust by the Small Business Administration should not be transferred to the unsecured roll because the federal statute expressly makes S.B.A. property subordinate to local tax liens. *Garcia v. Santa Clara County*, 87 Cal.App.3d 319.

**2188. Improvements.** Every tax on improvements is a lien on the taxable land on which they are located, if they are assessed to the same person to whom the land is assessed.

**History.**—Stats. 1947, p. 1871, in effect June 17, 1947, substituted last clause for provision lien attaches without regard to identity of assessee of the land.

**2188.1. Improvements assessed to other than owner of land.** Every tax on improvements assessed to a person other than the assessee of the land on which they are located may become a lien on the real property of the owner of such improvements or be assessed on the unsecured roll. In order for such tax on improvements to be a lien on any parcel of real property of the owner of such improvements, the fact of such lien must be indicated on the secured roll where any such parcel of real property is listed.

**History.**—Added by Stats. 1947, p. 1871, in effect June 17, 1947. Stats. 1961, p. 3216, in effect September 15, 1961, substituted “may become” for “is” and added “or be assessed on the unsecured roll.”

**2188.2. Statement of separate ownership.** Whenever improvements are owned by a person other than the owner of the land on which they are located, the owner of the improvements or the owner of the land may file with the assessor a written statement before the lien date attesting to their separate ownership, in which event the land and improvements shall not be assessed to the same assessee.

Such written statement shall not be required annually following the year in which it has been filed but shall remain in effect until such time as either, or both, of said separate ownerships shall have been transferred or until such written statement of separate ownership shall have been canceled by either the owner of the land or the owner of the improvements.

**History.**—Added by Stats. 1947, p. 1871, in effect June 17, 1947. Stats. 1973, Ch. 467, p. 940, in effect January 1, 1974, added the last paragraph.

**Construction.**—This section has no application where the owner of land owns the improvements. It does not limit Section 405 and require improvements to be assessed to the owner in such cases. *Valley Fair Fashions, Inc., v. Valley Fair*, 245 Cal.App.2d 614. Improvements owned by one other than the owner of the land may be taxed to the owner of the improvements. *Morse Signal Devices v. Los Angeles County*, 161 Cal.App.3d 570.

This section does not require assessment of lessee-owned trade fixtures to the landlord where the statement provided for by this section is not filed. *Ventura County v. Channel Islands State Bank*, 251 Cal.App.2d 240.

**2188.3. Condominium; separate assessment.** Whenever real property has been divided into condominiums, as defined in Section 783 of the Civil Code, (a) each condominium owned in fee shall be separately assessed to the owner thereof, and the tax on each such condominium shall constitute a lien solely thereon; (b) each condominium not owned in fee shall be separately assessed, as if it were owned in fee, to the owner of the condominium or the owner of the fee or both (and the tax on each such condominium shall be a lien solely on the interest of the owner of the fee in the real property included in such condominium and on such condominium), if so agreed by the assessor in a writing of record; such an agreement shall be binding upon such assessor and his successors in office with respect to such project so long as it continues to be divided into condominiums in the same manner as that in effect when the agreement was made.

**History.**—Added by Stats. 1963, p. 2096, in effect September 20, 1963.

**Separate assessment made only after at least one unit sold.**—Unlike a normal subdivision where separate assessments of individual units is automatic in years after the year in which the tract map is filed, condominiums, owned in fee, are separately assessed only after the sale of at least one unit. *County of Los Angeles v. Hartford Accident and Indemnity Company*, 3 Cal.App.3d 809.

**2188.4. Leased land; separate assessment.** Whenever a portion of a parcel of land, other than that used for grazing or other agricultural purposes and property assessed by the State Board of Equalization, is subject to a lease which is recorded or for which a memorandum of lease is recorded and which provides for a term (including options to renew) of 15 years or more from the commencement date of the lease and which requires the lessee to pay, or to reimburse the lessor for, the property taxes (or any portion thereof) on the leased premises, the assessor shall separately assess the land and improvements subject to the lease and the land and improvements not subject to the lease upon application for such separate assessments by the lessor or lessee prior to the lien date; provided the boundaries of the leased area do not pass through any improvement except along a bearing partition; and provided that each parcel as described must have access frontage on a dedicated street. The assessor shall thereafter continue to make such separate assessments until the expiration date of the lease or at an earlier date should the lessor or lessee file a written request that the separate assessments be discontinued.

The assessor may, in his discretion, assess the leased premises to the lessor or the lessee; provided, that if the lessor is assessed, all notices of assessment and tax bills relating to the leased premises shall be mailed to the lessor in care of the lessee at the lessee's latest address known to the assessor, or a copy of such notices and bills shall be mailed to the lessee at such address.

*History.—Added by Stats. 1968, p. 2413, in effect November 13, 1968.*

**2188.5. Planned developments; separate assessment.** (a) Subject to the limitations set forth in subdivision (b), whenever real property has been divided into planned developments as defined in Sections 11003 and 11003.1 of the Business and Professions Code, the interests therein shall be presumed to be the value of each separately owned lot, parcel or area, and the assessment shall reflect this value which includes all of the following:

(1) The assessment attributable to the value of the separately owned lot, parcel or area and the improvements thereon.

(2) The assessment attributable to the share in the common area reserved as an appurtenance of the separately owned lot, parcel or area.

(3) The new base year value of the common area resulting from any change in ownership pursuant to Chapter 2 (commencing with Section 60) or new construction pursuant to Chapter 3 (commencing with Section 70) attributable to the share in the common area reserved as an appurtenance of the separately owned lot, parcel, or area.

For the purposes of this section, "common area" shall mean the land and improvements within a lot, parcel or area, the beneficial use and enjoyment of which is reserved in whole or in part as an appurtenance to the separately owned lots, parcels or areas, whether this common area is held in common or through ownership of shares of stock or membership in an owners'

association as defined in Section 11003.1 of the Business and Professions Code. The tax on each separately owned lot, parcel or area shall constitute a lien solely thereon and upon the proportionate interest in the common area appurtenant thereto.

(b) Assessment in accordance with the provisions of subdivision (a) shall only be required with respect to those planned developments which satisfy both of the following conditions:

(1) The development is located entirely within a single tax code area.

(2) The entire beneficial ownership of the common area is reserved as an appurtenance to the separately owned lots, parcels or areas.

(c) The amendment to subdivision (b) made by the act adding this subdivision shall apply to real property which has been divided into planned developments, as defined in Sections 11003 and 11003.1 of the Business and Professions Code, on and after the effective date of the act adding this subdivision.

**History.**—Added by Stats. 1971, p. 2142, in effect March 4, 1972. Stats. 1984, Ch. 407, in effect January 1, 1985, substituted “the” for “such” before “assessment,” substituted “this” for “such” after “reflect,” and added “all of” after “includes” in the first sentence of the first paragraph of subdivision (a), deleted “and” after “thereon” in subsection (1) thereof, added subsection (3) thereto, and substituted “this” for “such” after “whether” in the second paragraph thereof; added “which satisfy both of the following conditions” after “developments” in subdivision (b), substituted “The development is” for “which are” in subsection (1) thereof, deleted former subsection (2) thereof, and renumbered former subsection (3) thereof as (2); added subdivision (c); and made conforming punctuation changes.

**Note.**—Section 2 of Stats. 1984, Ch. 407, provided that notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made for reimbursement. SEC. 3 provided that the act does not contain a repealer.

**2188.6. Separate assessment of condominium units.** [Repealed by Stats, 1989, Ch. 649, in effect January 1, 1990.]

**2188.6. Separate assessment of condominium units.** (a) Unless a request for exemption has been recorded pursuant to subdivision (d), prior to the creation of a condominium as defined in Section 783 of the Civil Code, the county assessor may separately assess each individual unit which is shown on the condominium plan of a proposed condominium project when all of the following documents have been recorded as required by law:

(1) A subdivision final map or parcel map, as described in Sections 66434 and 66445, respectively, of the Government Code.

(2) A condominium plan, as defined in subdivision (e) of Section 1351 of the Civil Code.

(3) A declaration, as defined in subdivision (h) of Section 1351 of the Civil Code.

(b) The tax due on each individual unit shall constitute a lien solely on that unit.

(c) The lien created pursuant to this section shall be a lien on an undivided interest in a portion of real property coupled with a separate interest in space called a unit as described in subdivision (f) of Section 1351 of the Civil Code.

(d) The record owner of the real property may record with the condominium plan a request that the real property be exempt from separate

assessment pursuant to this section. If a request for exemption is recorded, separate assessment of a condominium unit shall be made only in accordance with Section 2188.3.

(e) This section shall become operative on January 1, 1990, and shall apply to condominium projects for which a condominium plan is recorded after that date.

History.—Added by Stats. 1989, Ch. 649, in effect January 1, 1990.

**2188.7. Separate assessment of community apartment project or housing cooperative.** (a) Whenever the assessor receives a written request for separate assessment of a community apartment project, a stock cooperative, or a limited equity housing cooperative as defined in Section 11003.2, 11003.4, or 11004 of the Business and Professions Code, or any other similarly organized housing cooperative, the assessor shall, on the first lien date which occurs more than 60 days following the request, and on each lien date thereafter, separately assess the individual interests described in subdivision (b) held by the owners of the project or shareholders of the corporation if the conditions specified in subdivision (c) have been met. Whenever a community apartment project or cooperative housing corporation is separately assessed, it shall continue to be separately assessed in subsequent fiscal years and once a request for separate assessment is made, it is binding on all future owners and occupants of the project or corporation.

(b) For community apartment projects, and similarly organized projects, the interest that is to be separately assessed pursuant to subdivision (a) is the value of the right of exclusive occupancy in a portion of the real property coupled with an undivided interest in the land. For cooperative housing corporations, limited equity housing cooperatives and similarly organized cooperatives, the interest that is to be separately assessed is the value of the right of exclusive occupancy which is transferable only concurrently with the transfer of the share or shares of stock in the corporation held by the person having such right of occupancy, together with an interest in appurtenant common areas.

(c) Except as provided in subdivision (a), a separate assessment of any interest described in subdivision (b) may not be made by the assessor unless:

(1) The person making the request certifies that the owners or shareholders have been notified and the request for separate assessment has been approved in the manner provided in the organizational documents of the organization involved for approval of matters affecting the affairs of the organization generally; and

(2) A diagrammatic floor plan of the improvements and a survey plot map of the land showing the location of the improvements on the land, prepared in the form required by Chapter 2 (commencing with Section 66425) of Division 2 of Title 7 of the Government Code, has been recorded with the county recorder and filed with the assessor.

(d) Notwithstanding the provisions of subdivision (c), this section shall not be construed to require applicants for separate assessments to meet the

requirements of the Subdivision Map Act, nor shall the approval of any governmental agency be required for separate assessment except for the assessor's approval prior to recordation of the plot map and diagrammatic plan required by subdivision (c).

(e) Notwithstanding the provisions of Section 2605 and regardless of whether the board of supervisors has adopted a resolution in accordance with Section 2700, the tax on interests in a cooperative housing corporation or a limited-equity housing corporation separately assessed pursuant to subdivision (a) shall be entered on the secured roll and may be paid in two installments as provided in Chapter 2.1 (commencing with Section 2700) of Part 5. However, if:

(1) The tax on the separately assessed interest is unpaid when any installment of taxes on the secured roll becomes delinquent, the tax collector may use the procedures applicable to the collection of delinquent taxes on the unsecured roll; and

(2) The tax on the separately assessed interest remains unpaid at the time set for the declaration of default for delinquent taxes, the tax on the separately assessed interest, together with any penalties and costs which may have accrued thereon while on the secured roll, shall be transferred to the unsecured roll.

(f) The tax on an individual interest in a community apartment project, separately assessed pursuant to subdivision (a), shall be a lien solely on that interest and shall be entered on and be subject to all provisions of law applicable to taxes on the secured roll.

(g) The assessor shall provide to the principal office of each community apartment project and cooperative housing corporation within the taxing jurisdiction, at the time and in the manner as he or she deems appropriate, adequate notice of the provisions of this section and other pertinent information relative to the implementation thereof.

(h) The assessor may charge a fee for the initial cost of separately assessing a project or corporation which may be collected on the tax bill.

**History.**—Added by Stats. 1980, Ch. 774, in effect January 1, 1981. Stats. 1981, Ch. 1141, in effect October 2, 1981, operative January 1, 1982, substituted "may" for "shall" after "which" in subdivision (h). Stats. 1985, Ch. 316, effective January 1, 1986, substituted "the" for "such" after the first "on" in paragraphs (1) and (2) of subdivision (e), and substituted "the declaration of default for . . . delinquent taxes" for "sale to the state" after "set for" in paragraph (2) thereof; substituted "that" for "such" after "solely on" in subdivision (f); and substituted "the" for "such" after "jurisdiction, at" and after "time and in", and added "or she" after "he" in subdivision (g).

**Note.**—Section 2 of Stats. 1980, Ch. 774, provided that no appropriation is made by this act pursuant to Section 2231 or 2234 of the Revenue and Taxation Code or Section 6 of Article XIII B of the California Constitution because self-financing authority is provided in this act to cover costs that may be incurred in carrying on any program or performing any service required to be carried on or performed by this act. Section 4 thereof provided that this act shall become operative for assessments made on the lien date for the 1981-82 fiscal year and thereafter. However, a county board of supervisors may elect to postpone the operative date of this act for that county to the lien date for the 1982-83 fiscal year.

**2188.8. Separate assessment of time-share estates.** (a) Whenever the assessor receives a written request for separate assessment of time-share estates in a time-share project, as defined in Section 11003.5 of the Business and Professions Code and as specified in subdivision (h) of this section, the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, separately assess each time-share

estate in the project if the assessor determines that the conditions specified in subdivision (c) have been met. Whenever estates in a time-share project are separately assessed, they shall continue to be separately assessed in subsequent fiscal years and, once a request for separate assessment is made with respect to a project, it is binding on all future time-share estate owners.

(b) The interest that is to be separately assessed is the value of the right of recurrent, exclusive use or occupancy of real property, annually or on some other periodic basis, for a specific period of time that has been, or will be, allotted from the use or occupancy periods into which the project has been divided.

(c) The separate assessment of a time-share estate may not be made by the assessor unless both of the following occur:

(1) The person making the request certifies that the request for separate assessment has been approved in the manner provided in the organizational documents of the organization involved for approval of matters affecting the affairs of the organization generally.

(2) A diagrammatic floor plan of the improvements, a copy of the documents setting forth the procedures for scheduling time and units to each time-share estate owner, and a list of every time-share estate owner, with a date notation thereon showing when, according to the organization's records, each time-share estate was acquired, have been filed with the assessor. A plot map of the land showing the location of the improvements on the land need not be filed unless requested by the assessor. The organization shall file an annual statement for each succeeding assessment year, on or before April 1, with the assessor setting forth any changes to the required information known to the organization. The list or other information provided pursuant to this section is not a public document and shall not be open to public inspection, except as provided in Section 408.

(d) Notwithstanding subdivision (c), this section shall not be construed to require any person making a request for separate assessment to meet the requirements of the Subdivision Map Act, nor shall the approval of any governmental agency be required for separate assessment.

(e) The tax on a time-share estate that is separately assessed pursuant to this section shall be a lien solely on the time-share estate and shall be entered on and be subject to all provisions of law applicable to taxes on the secured roll, provided:

(1) If the taxes on any time-share estate that is separately assessed remain unpaid at the time set for declaration of default for delinquent taxes, the taxes on the time-share estate, together with any penalties and costs that may have accrued thereon while on the secured roll, may be transferred to the unsecured roll.

(2) Defaulted time-share estate taxes remaining unpaid on any prior year secured tax roll may be transferred to the unsecured roll and collected like any other tax on the unsecured roll.

(f) The assessor shall provide to the principal office of each time-share project within the taxing jurisdiction, at the time and in the manner as he or she deems appropriate, adequate notice of the provisions of this section and other pertinent information relative to the implementation thereof.

(g) The county may charge a fee for processing an application for separate assessment and for the initial and the on-going costs, not to exceed the actual cost, of the separate assessment and billing, and mailings, with respect to a time-share project. This fee is subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and shall be proportionately allocated to each of the time-share estate owners. This fee may be collected commencing with the initial separate tax bills, and on subsequent tax bills, and deposited in the county's general fund.

(h) For purposes of this section, "timeshare estate" applies to time-share estates, as defined in Section 11003.5 of the Business and Professions Code, that include a fee simple interest in the underlying property involved. However, "time-share estate" does not include time-share estates that are coupled with a leasehold interest or an estate for years.

(i) Notwithstanding subdivision (a), when the assessor receives a written request to terminate the separate assessment of time-share estates in a time-share project under subdivision (a), the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, prepare a single assessment for all time-share estates in the project. In order to obtain a single assessment, the person making the request shall provide certification that the request for a single consolidated assessment has been approved in the manner provided in the organization's documents. The person making the request shall also state the name and address of that organization as the organization to receive the single consolidated assessment. On the first lien date, and continuing thereafter, the county shall assess the time-share project. Any lien for taxes shall attach as if the election previously made under subdivision (a) had not been made and the county shall no longer charge the fees described in subdivision (g).

**History.**—Added by Stats. 1982, Ch. 887, in effect September 10, 1982. Stats. 1991, Ch. 532, in effect January 1, 1992, added "processing an . . . assessment and for" after "charge a fee for" and added ", mailings," after "assessment and billing" in the first sentence, added "subject to Chapter 12.5 . . . Code, and shall be" after "shall be", and deleted ", collected commencing with the initial separate tax bills, and deposited in the county's general fund" after "owners" in the second sentence, and added the third sentence in subdivision (g). Stats. 1993, Ch. 905, in effect October 8, 1993, substituted ", provided:" for "." after "roll" in subdivision (e) and added paragraphs (1) and (2) therein. Stats. 1994, Ch. 146, in effect January 1, 1995, substituted "that" for "which" after "lien date" in the first sentence of subdivision (a); added "both . . . occur" after "unless" in subdivision (c); substituted a period for "; and" after "generally" in paragraph (1), and substituted "the" for "such" after "changes to" in the third sentence of paragraph (2) of subdivision (c); deleted "the provisions" after "Notwithstanding" in subdivision (d); substituted "the" for "such" twice, and added "or she" after "he" in subdivision (f); and substituted "that" for "which" in subdivision (h). Stats. 1996, Ch. 541, in effect January 1, 1997, substituted "time-share" for "timeshare" throughout the section, and added subdivision (i). Stats. 1997, Ch. 17 (SB 947), in effect January 1, 1998, added a comma after "fiscal year and" in the second sentence of subdivision (a), substituted "is" for "shall be" after "fee" in the second sentence of subdivision (g), and substituted "time-share" for "timeshare" twice in subdivision (h).

**Note.**—Section 3 of Stats. 1982, Ch. 887, provided that no appropriation is made by this act pursuant to Section 2231 or 2234 of the Revenue and Taxation Code or Section 6 of Article XIII B of the California Constitution because self-financing authority is provided in this act to cover costs that may be incurred in carrying on any program or performing any service required to be carried on or performed by this act.

**2188.9. Separate assessment of a time-share project.** (a) Whenever the assessor receives a written request for separate assessment of a time-share project, as defined in Section 11003.5 of the Business and Professions Code, the assessor shall, on the first lien date which occurs more than 60 days following the request, and on each lien date thereafter, separately assess the individual interests in the project described in subdivision (b) if the conditions specified in subdivision (c) have been met. Whenever a time-share project becomes subject to separate assessment, it shall continue to be so subject in subsequent fiscal years and once a request for separate assessment is made, it is binding on all future owners and occupants of the project.

(b) The interest in a time-share project that is to be separately assessed is the value of the right of recurrent, exclusive use or occupancy of real property, annually or on some other periodic basis, for a period of time that has been, or will be, allotted from the use or occupancy periods into which the project has been divided.

(c) A separate assessment may not be made by the assessor under this section unless:

(1) The person making the request certifies that the request for separate assessment has been approved in the manner provided in the organizational documents of the organization involved for approval of matters affecting the affairs of the organization generally; and

(2) A diagrammatic floor plan of the improvements, a copy of the documents setting forth the procedures for scheduling time and units to each time-share interest owner, and a list of every time-share interest owner, with a date notation thereon showing when, according to the organization's records, each interest was acquired, have been filed with the assessor. A plot map of the land showing the location of the improvements on the land need not be filed unless requested by the assessor. The organization shall file an annual statement for each succeeding assessment year, on or before April 1, with the assessor, setting forth any changes to the required information known to the organization. The list or other information provided pursuant to this section is not a public document and shall not be open to public inspection, except as provided in Section 408 of the Revenue and Taxation Code.

(d) Notwithstanding the provisions of subdivision (c), this section shall not be construed to require applicants for separate assessments to meet the requirements of the Subdivision Map Act, nor shall the approval of any governmental agency be required for separate assessment except for the assessor's approval.

(e) The assessor shall cumulate all the separate assessments in a time-share project and enter the total assessment on the secured roll in the name of the organization or time-share owners' association. The assessor shall notify each owner of a time-share interest subject to separate assessment under this section of the amount of an increased assessment pursuant to Section 619.

(f) The tax on the total assessment with respect to a time-share project shall be a lien on the entire time-share project and shall be subject to all provisions of law applicable to taxes on the secured roll.

(g) The tax collector shall send a single tax bill, with an itemized breakdown detailing the taxes applicable to each separate assessment, to the time-share project organization or owners' association.

(h) The assessor shall provide to the principal office of each time-share project within the taxing jurisdiction, at that time and in that manner as he or she deems appropriate, adequate notice of the provisions of this section and other pertinent information relative to the implementation thereof.

(i) The county may charge a fee for processing the application for separate assessment and for the initial and ongoing costs of separate assessment and implementing subdivision (g), not to exceed the actual costs. Fees shall be subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and maybe collected commencing with the initial separate tax bills, and on subsequent tax bills, and shall be deposited in the county's General Fund.

(j) This section shall not apply to time-share estates or to time-share projects that are subject to the provisions of Section 2188.8.

(k) Notwithstanding subdivision (a), when the assessor receives a written request to terminate the separate assessment of a time-share project under subdivision (a), the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, prepare a single assessment for the time-share project without an itemized breakdown detailing taxes applicable to each separate assessment in the time-share project. In order to obtain a single assessment, the person making the request shall provide certification that the request for a single consolidated assessment has been approved in the manner provided in the organization's documents. The person making the request shall also state the name and address of that organization as the organization to receive the single consolidated assessment. On the first lien date, and continuing thereafter, the county shall assess the time-share project. Any lien for taxes shall attach as of the election previously made under subdivision (a) had not been made, and the county shall no longer charge the fees described in subdivision (i).

**History.**—Added by Stats. 1982, Ch. 887, in effect September 10, 1982. Stats. 1991, Ch. 532, in effect January 1, 1992, added "processing the application . . . and for" after "charge a fee for", substituted "and ongoing costs" for "cost" after "initial", "separate assessment" for "separately assessing" after "costs of", substituted "costs" for "cost" after "exceed the actual", deleted ", which may be collected on the tax bill to the time-share project, which fee shall be deposited in the county's general fund" in the first sentence, and added the second sentence, in subdivision (i). Stats. 1996, Ch. 541, in effect January 1, 1997, substituted "time-share" for "timeshare" throughout the section, and added subdivision (k).

**Note.**—Section 3 of Stats. 1982, Ch. 887, provided that no appropriation is made by this act pursuant to Section 2231 or 2234 of the Revenue and Taxation Code or Section 6 of Article XIII B of the California Constitution because self-financing authority is provided in this act to cover costs that may be incurred in carrying on any program or performing any service required to be carried on or performed by this act.

#### **2188.10. Separate assessment; mobilehome park portion.**

(a) Whenever the assessor receives a written request for separate assessment of a pro rata portion of the real property of a mobilehome park which changed ownership pursuant to subdivision (c) of Section 62.1 as the result of the

transfer of a share or shares of voting stock or other ownership or membership interest or interests, the assessor shall, on the first lien date which occurs more than 60 days following the request, and on each lien date thereafter, separately assess the portion or portions of real property described in subdivision (b) if the conditions specified in subdivision (c) have been met. Whenever a portion of the real property of a mobilehome park becomes subject to separate assessment, it shall continue to be subject to separate assessment in subsequent fiscal years and once a request for separate assessment is made, it is binding on all future owners of the voting stock or other ownership or membership interests in the entity which owns the park.

(b) The interest that is to be separately assessed is the value of the pro rata portion of the real property of the mobilehome park which changed ownership pursuant to subdivision (c) of Section 62.1.

(c) A separate assessment may not be made by the assessor under this section unless the following conditions are met:

(1) The governing board of the mobilehome park makes the request for separate assessment and certifies that the request has been approved in the manner provided in the organizational documents of the entity owning the mobilehome park.

(2) Information is filed with the assessor listing all of the following:

(A) The total number of outstanding shares of voting stock of, or other ownership or membership interests in, the entity which owns the mobilehome park.

(B) The number of shares of voting stock, or other ownership or membership interests, which have been transferred and resulted in the change in ownership of portions of the real property of the park pursuant to subdivision (c) of Section 62.1, together with the names and addresses of the owners of the transferred voting stock or other ownership or membership interests.

(C) Any other information as the assessor may require.

The entity owning the mobilehome park shall file an annual statement for each succeeding assessment year, on or before April 1, with the assessor, setting forth any changes to the required information known to the entity. The information provided pursuant to this section is not a public document and shall not be open to public inspection, except as provided in Section 408.

(d) Nothing in this section shall be construed to require applicants for separate assessments to meet the requirements of the Subdivision Map Act, nor shall the approval of any governmental agency be required for separate assessment except for the assessor's approval.

(e) The assessor shall cumulate all the separate assessments in a mobilehome park and enter the total assessment on the secured roll in the name of the entity which owns the park. The assessor shall notify each owner of a portion of the real property of the park subject to separate assessment under this section of the amount of an increased assessment pursuant to Section 619.

(f) The tax on the total assessment of the mobilehome park shall be a lien on the real property of the park and shall be subject to all provisions of law applicable to taxes on the secured roll.

(g) The tax collector shall send a single tax bill, with an itemized breakdown detailing the taxes and the allocated portion of any fee imposed pursuant to subdivision (i) applicable to each separate assessment, to the entity owning the mobilehome park.

(h) The assessor shall provide to owners of voting stock or other ownership or membership interest in a mobilehome park entity subject to subdivision (c) of Section 62.1, and to the governing board of the park, at that time and in that manner as the assessor deems appropriate, adequate notice of the provisions of this section and other pertinent information relative to the implementation thereof.

(i) The county may charge a fee for processing the application for separate assessment, and for the initial and ongoing costs of separate assessment and implementing subdivision (g), not to exceed actual costs. This fee shall be subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and shall be allocated to each owner of a share of voting stock or other ownership or membership interest for which a separate assessment has been made. The fee may be collected commencing with the initial separate tax bills, and on subsequent tax bills, and shall be deposited in the county's general fund.

(j) The governing board of the entity which owns the mobilehome park shall collect the allocated portion of any fee charged pursuant to subdivision (i) and any itemized taxes applicable to a separate assessment from the owner of the voting stock or other ownership or membership interest whose acquisition of the interest resulted in the separate assessment. The fees and taxes resulting from separate assessment shall be deducted from the proportional cost of the fees and taxes collected from the remaining owners or members.

History.—Added by Stats. 1988, Ch. 1076, in effect January 1, 1989. Stats. 1991, Ch. 532, in effect January 1, 1992, added "processing the application . . . and for" after "charge a fee for", substituted "and ongoing costs" for "cost" after "initial", substituted "separate assessment" for "separately assessing" after "costs of", substituted "actual costs" for "the actual costs" after "exceed", and deleted "of the separate assessment and billing" after "costs" in the first sentence; added "subject to Chapter 12.5 . . . Code, and shall be" after "shall be" and inserted a period after "made" in the second sentence; and added the third sentence with the remainder of the former second sentence and added "may be collect . . . bills, and" after "fee", in subdivision (a).

**2188.11. Separate assessment; undivided interests.** The assessor shall separately assess undivided interests in accordance with Chapter 3 (commencing with Section 2801) of Part 5.

History.—Added by Stats. 1994, Ch. 1222, in effect January 1, 1995.

**2189. Personalty.** (a) A tax on personal property is a lien on any real property on the secured roll also belonging to the owner of the personal property, if the personal property is located upon such real property on the lien date, and if the fact of the lien is shown on the secured roll opposite the description of the real property. However, if that real property is transferred

or conveyed to a bona fide purchaser for value after the lien date, but prior to the date upon which the assessment on the personal property is made, and the purchaser of that property did not own, claim, possess, or control the personal property at any time from the lien date until the date upon which that assessment was made, the taxes on the personal property shall be placed on the unsecured roll and shall not be a lien on the real property.

(b) Any failure or omission to show the fact of a lien as described in subdivision (a) for personal property taxes on the secured roll opposite the description of real property shall not operate to invalidate those personal property taxes, but in that case the tax shall be collected in the same manner as taxes on the unsecured roll. However, if the fact of lien is erroneously entered on the secured roll opposite the description of real property belonging to someone other than the owner of the personal property on the lien date, then the delinquency penalty provided for in Chapter 4 of Part 5 shall not attach until December 10 at 5 p.m. or, if December 10th falls on Saturday, Sunday, or a holiday at 5 p.m. on the next business day.

**History.**—Stats. 1951, p. 3828, in effect September 22, 1951, limited the prior general lien on real property to a lien on real property on the secured roll located in the same county, and added second paragraph. Stats. 1953, p. 2626, in effect September 9, 1953, added portion of second paragraph beginning with “provided.” Stats. 1957, p. 3477, in effect September 11, 1957, substituted “if the personal property is located upon such real property” for “and located in the same county as the latter” and added “and” before “if the fact.” Stats. 1987, Ch. 1184, in effect January 1, 1988, operative July 1, 1988, added “Sunday, or a holiday” after “Saturday,” in the second paragraph. Stats. 1994, Ch. 229, in effect January 1, 1995, added subdivision letter designations (a) and (b) before the first and second paragraphs respectively; added second sentence in subdivision (a); substituted “a lien as described in subdivision (a)” for “such lien”, substituted “the” for “such” after “opposite”, substituted “those” for “any such” after “invalidate”, substituted “taxes” for “tax” after “property”, substituted “that” for “such” after “but in”, substituted a period for a semi-colon after “the unsecured roll”; substituted “. However,” for “; provided that” after “roll” and substituted “10” for “10th” after “attach until December” in subdivision (b).

**Partnership property.**—The surviving partner is the “owner” of the partnership personal property, so that the tax thereon constitutes a valid lien on his real property. *Thompson v. Board of Supervisors*, 13 Cal.App.2d 134.

**No lien on personality.**—The assessment of personal property does not create any lien upon it. *Fresno County v. Commodity Credit Corp.*, 112 F.2d 639.

**2189.1. Separately billed taxes on state-assessed personalty.** Separately billed taxes on state-assessed personal property when delinquent may be collected through use of unsecured tax collection procedures. Any of those taxes, including penalties and cost charge, which remain unpaid after June 30, shall be transferred to the unsecured roll or abstract and shall become subject to additional penalties as provided in Section 2922.

**History.**—Added by Stats. 1986, Ch. 1420, in effect January 1, 1987.

**2189.3. Personalty; certificate of security.** A tax on personal property belonging to an owner of real property on the secured roll located in the same county as the personal property, where the personal property is not located upon the real property on the lien date, is, on and after the lien date, a lien on the real property, having the force, effect and priority of a judgment lien from and after the lien date, if, on or before the lien date:

(a) The assessor, at his or her discretion, with the approval of the board of supervisors, and at the request of the taxpayer, determines and issues to the taxpayer a certificate that the real property is sufficient to secure the payment of the tax.

(b) The taxpayer records the certificate with the county recorder.

Any tax which becomes a lien on the real property in accordance with this section shall be subject to the provisions of this division relating to the rate and date of payment of taxes on the secured roll for the current year; and in the event of any delinquency in the payment of such tax, the personal property on which it has been levied shall be subject to seizure and sale in accordance with Sections 2951 to 2963, inclusive, of this code.

This section does not apply to any tax which became a lien on the first Monday in March of 1958, and shall first be operative with respect to taxes levied for the Fiscal Year 1959-60.

History.—Added by Stats. 1958, p. 319 (First Extra Session), in effect July 23, 1958. Stats. 1976, Ch. 1079, p. 4883, in effect January 1, 1977, substituted "2951 to 2963" for "2914 to 2921" in the first sentence of the second paragraph. Stats. 1985, Ch. 542, effective September 9, 1985, added "at his or her discretion . . . supervisors, and" after "assessor" in subsection (a).

**2189.5. Gas and oil leases.** Every tax on personal property and improvements, located upon or appurtenant to a leasehold estate for the production of gas, petroleum or other hydrocarbon substances from beneath the surface of the earth, and belonging to the owner of the leasehold estate, may be secured by the leasehold estate, when, in the opinion of the assessor, the leasehold estate is of sufficient value to constitute security for the payment of all taxes upon that personal property or improvements and upon that leasehold estate. In the event of delinquency in the payment of that tax, the personal property, improvements, and leasehold estate shall be subject to seizure and sale in the same manner as provided for the seizure and sale of unsecured personal property, in Sections 2951 to 2962, inclusive, at any time within three years after the delinquency. Suit may be brought against an assessee of those taxes in the event of delinquency in the payment thereof.

If the tax thereon remains unpaid at the time set for the declaration of default for delinquent taxes, the tax together with any penalty and costs as may have accrued thereon while on the secured roll shall be transferred to the unsecured roll.

Those taxes that are delinquent at the time the amendment to this section, enacted at the 1973-74 Regular Session, goes into effect may also be transferred to the current unsecured roll.

History.—Added by Stats. 1945, p. 1067, in effect September 15, 1945. Stats. 1957, p. 1968, in effect September 11, 1957, substituted "three years" for "one year." Stats. 1973, Ch. 376, p. 815, in effect January 1, 1974, added the second and third paragraphs. Stats. 1976, Ch. 1079, p. 4883, in effect January 1, 1977, substituted "2951 to 2962" for "2914 to 2920" in the second sentence of the first paragraph, and added "enacted" after "section" in the first sentence of the third paragraph. Stats. 1985, Ch. 316, effective January 1, 1986, substituted "the" or "that" for "such" throughout the section, substituted "declaration . . . taxes, the" for "sale to the state, such" after "the" in the second paragraph, and deleted "of" after "time" in the third paragraph. Stats. 2001, Ch. 121 (SB 1183), in effect January 1, 2002, deleted "current" before "unsecured roll" in the second paragraph.

**2189.6. Water system improvements.** Improvements that constitute component parts of a water distribution system located in whole or in part on property assessed to a person other than the assessee of the land on which they are located shall be assessed as improvements on the secured roll. However, those assessments shall not be a lien on the land on which those improvements are located and that fact shall be noted on the secured roll.

If the tax thereon is unpaid when any installment of secured taxes becomes delinquent, the tax collector may use the same collection procedures available for the collection of taxes on the unsecured roll.

If the tax thereon remains unpaid at the time set for the declaration of default for delinquent taxes, the tax together with any penalty and costs that may have accrued thereon while on the secured roll shall be transferred to the unsecured roll.

*History.*—Added by Stats. 1963, p. 4355, effective September 20, 1963. Stats. 1967, p. 2412, in effect November 8, 1967, deleted the former second paragraph and added the second and third paragraphs. Stats. 1980, Ch. 411, in effect July 11, 1980, operative January 1, 1981, substituted “any” for “the last”, “secured” for “real property” and “for the collection of taxes” for “to assessments” in the second paragraph. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “. However, those” for “; provided, however, that such” after “secured roll” and substituted “those” or “that” for “such” in the first paragraph; and substituted “declaration . . . taxes, the” for “sale to the state, such” after “the”, substituted “any” for “such” after “together with”, and substituted “which” for “as” after “and costs” in the third paragraph. Stats. 2001, Ch. 121 (SB 1183), in effect January 1, 2002, substituted “that” for “which” throughout the section and deleted “current” before “unsecured roll” in the third paragraph.

**2189.7. Floating homes.** Except as otherwise provided in subdivision (a), (b), or (c), the assessment of any floating home made pursuant to Section 229 shall be entered on the secured roll and shall be subject to all provisions of law applicable to taxes on the secured roll.

(a) If the taxes on any floating home are not a lien on real property of the owner of the floating home pursuant to Section 2188.1, 2189, or 2189.3 and are unpaid when any installment of taxes on the secured roll becomes delinquent, the tax collector may use the procedures applicable to the collection of delinquent taxes on the unsecured roll.

(b) If the taxes on any floating home which are not a lien on real property of the owner of the floating home remain unpaid at the time set for the declaration of default for delinquent taxes of the floating home on the secured roll, the taxes, together with any penalties and costs which may have accrued thereon while on the secured roll, shall be transferred to the unsecured roll.

(c) The taxes on floating homes may be paid in two installments as provided in Chapter 2.1 (commencing with Section 2700) of Part 5, notwithstanding Section 2605 and whether or not the county board of supervisors has adopted a resolution in accordance with Section 2700.

*History.*—Added by Stats. 1986, Ch. 1420, effective January 1, 1987.

**2189.8. Floating homes; tax clearance certificates.** Upon application, the county tax collector may issue tax clearance certificates. Those certificates shall be used to permit registration of used floating homes, as defined in Section 18075.6 of the Health and Safety Code, and for any other purposes as may be prescribed by the Controller. The certificates may indicate that the county tax collector finds that no local property tax is due or is likely to become due, or that any applicable local property taxes have been paid or are to be paid in a manner not requiring the withholding of registration or the transfer of registration. The certificates shall be in any form which the Controller may prescribe, and shall be executed, issued, and accepted for clearance of registration or permit issuance on any conditions which the Controller may prescribe.

*History.*—Added by Stats. 1986, Ch. 1420, effective January 1, 1987.

**2190. Assessment of possessory interest in tax exempt property.** Notwithstanding any provision of law to the contrary, the assessment of any possessory interest in tax-exempt real estate to which the exemption authorized by Section 218 has been applied shall be entered on the secured roll. However, the assessment shall not be a lien on the tax-exempt real estate and that fact shall be noted on the secured roll.

If the tax thereon is unpaid when any installment of taxes on the secured roll becomes delinquent, the tax collector may use the procedures which are applicable to the collection of taxes on the unsecured roll.

If the tax thereon remains unpaid at the time set for the declaration of default for delinquent taxes, the tax applicable to the possessory interest together with any penalties and costs which may have accrued thereon while on the secured roll shall be transferred to the unsecured roll.

**History.**—Stats. 1977, Ch. 454, in effect January 1, 1978. Stats. 1980, Ch. 411, in effect July 11, 1980, operative January 1, 1981, substituted “any” for “the last” before “installment” and deleted “on property contained” before “on the unsecured” in the second paragraph, and deleted “for taxes unpaid on the secured roll” after “state” in the third paragraph. Stats. 1985, Ch. 316, effective January 1, 1986, deleted “of this code” after “Section 218”, substituted “. However, the” for “; provided, however, that such” after “secured roll”, substituted “the” for “such” after “a lien on” and substituted “that” for “such” after “and” in the first paragraph; and substituted “declaration of default . . . taxes” for “sale to the state” after “time set for the”, substituted “the” for “such” after “applicable to” and substituted “which” for “as” after “costs” in the third paragraph.

**2190.1. Real estate of Veterans Welfare Board.** If the tax on an assessment of a possessory interest in real estate of the Veterans Welfare Board is not paid before delinquency, the amount of the tax, penalties and costs shall be paid by said board and added to the amount due under the contract for the property.

**History.**—Added by Stats. 1945, p. 783, in effect September 15, 1945.

**Entire value rather than possessory interest taxable.**—The reference in this section to the “possessory interest” must be disregarded, for Article XIII, Section 1, of the State Constitution requires that the entire value of the property being purchased under contract from the Veterans Welfare Board be assessed to the purchaser and not merely his possessory interest. *Eisley v. Mohan*, 31 Cal.2d 637.

**2190.2. Possessory interests.** Every tax on an assessment of a possessory interest or a tax on an assessment of improvements made pursuant to the provisions of Section 2188.2 shall become a lien on such possessory interest or such improvements, provided that in those instances where the real property that is the subject of such possessory interest or upon which such improvements are located is not tax-exempt land, the fact of such lien shall be indicated on the secured roll where the real property that is the subject of such possessory interest or upon which such improvements are located is listed.

**History.**—Added by Stats. 1967, p. 2794, in effect November 8, 1967.

**Lien notation.**—This section applies to all instances in which the land and improvements have been assessed to different assesseees and thus a tax on the improvements can become a lien only if the lien is noted on the secured roll where the land involved is listed. *T. M. Cobb Co. v. Los Angeles County*, 16 Cal.3d 606.

**2191.3. Recording certificate of delinquency on certain types of property.** (a) The tax collector may make the filing specified in subdivision (b) where either of the following occurs:

(1) There is a tax on any of the following:

(A) Possessory interest secured only by a lien on that taxed possessory interest.

(B) Goods in transit, not secured by any lien on real property.

(C) Improvements that have been assessed pursuant to Section 2188.2.

(D) Off-roll taxes on escape assessments where the error was not the fault of the assessee and the escape taxes are being paid pursuant to Section 4837.5.

(E) Unsecured property not secured by a lien on any real property, and where the tax has become delinquent or where there are prior unpaid and delinquent taxes with respect to that same property.

(2) A tax has been entered on the unsecured roll pursuant to Section 482, 531.2, or 4836.5, or transferred to the unsecured roll pursuant to any provision of law.

(b) A filing for record without fee in the office of the county recorder of any county of a certificate specifying the amount due, the name, federal social security number, if known, and last known address of the assessee liable for the amount, and compliance with all provisions of this division with respect to the computation and levy of the tax if compliance has in fact occurred. The procedure authorized by this section is cumulative to the procedure provided by Sections 2951 and 3003. The county recorder shall, within 30 days after a filing as described in this subdivision with respect to delinquent taxes on unsecured property, send a notice of the filing to the assessee at the assessee's last known address. The notice shall contain the information contained in the filing, and shall prominently display on its face the following heading:

**“THIS IS TO NOTIFY YOU THAT A TAX LIEN HAS BEEN  
FILED WITH RESPECT TO UNSECURED PROPERTY”**

**History.**—Added by Stats. 1961, p. 1485, in effect September 15, 1961. Stats. 1967, p. 2794, in effect November 8, 1967, broadened the application of the recording procedure to the items set forth. Stats. 1976, Ch. 156, p. 252, in effect January 1, 1977, relettered former subsections (a), (b), (c), and (d) as subsections (a)(1) through (a)(4), respectively; added “or where a tax has been:” and subsections (b)(1) and (b)(2) after subsection (a)(4); and substituted “The tax collector ” for “The tax collector or assessor collecting the tax on such possessory interests, goods in transit, such improvements or unsecured property”, and deleted “possessory interest tax, goods in transit tax, such tax on improvements or unsecured property” after “respective” in the first sentence. Stats. 1977, Ch. 579, in effect January 1, 1978 substituted “or” for “of” between “531.2” and “4836.5” in paragraph (1), subdivision (b). Stats. 1979, Ch. 813, in effect January 1, 1980, operative July 1, 1980, added “, federal social security number, if known,” after “name” in the first sentence. Stats. 1980, Ch. 411, in effect July 11, 1980, added “482” before “531.2” in subsection (1) of, substituted “any provision of law” for “Section 4831 of this code” at the beginning of subsection (2) of, deleted “of the respective tax due, interest and penalties” after the first “amount” in, and substituted “2951” for “2914” after “Sections” at the end of subsection (2) of subdivision (b). Stats. 1990, Ch. 126, in effect June 11, 1990, substituted “that” for “such” after “lien on” in subsection (a)(1), deleted “the provisions of” after “pursuant to” in subsection (a)(3), added new subsection (a)(4), renumbered former subsection (a)(4) as (a)(5), added a comma after “531.2” and deleted “of this code” after “4863.5” in subsection (b)(1), and substituted “applicable” for “such be the fact” after “fact, if” in the first sentence of subsection (b)(2). Stats. 1991, Ch. 532, in effect January 1, 1992, deleted “Where there is a tax on:” before “(a)(1)” ; added “The tax collector . . . following occurs:” after “(a)” ; substituted “There is a tax on a” for “A” after “(1)”, deleted the former paragraph numbers “(2)”, “(3)”, “(4)”, and “(5)”, deleted “or on” after “lien on real property,” and after “Section 2188.2,” and deleted “; or where a tax has been:” after “delinquent” in paragraph (1) of subdivision (a); deleted former paragraph (1) of subdivision (b) which stated “Entered on the unsecured roll pursuant to Section 482, 531.2, or 4836.5, or;” substituted “A tax has been entered on” for “Transferred to” after “(2)”, added “pursuant to Section 482 . . . unsecured roll” after “the unsecured roll” and substituted a period for a semi-colon after “provision of law” in paragraph (2) of subdivision (a); established the former second and third sentences of paragraph (2) of subdivision (a) as subdivision (b) and substituted “A filing” for “The tax collector may file” after (b), added “of” after “recorder of any county”, substituted “compliance with” for “the fact, if applicable, that” after “and”, substituted “with respect to” for “in” after “division”, and substituted “if compliance has in fact occurred” for “have been complied with” after “tax” in the first sentence of subdivision (b). Stats.

1992, Ch. 427, in effect January 1, 1993, added "any of the following:" after "There is a tax on" in paragraph (1) of subdivision (a), and separated the taxable conditions by adding the letter designations "(A)", "(B)", "(C)", "(D)", "(E)", and "(F)" therein. Stats. 1993, Ch. 387, in effect January 1, 1994, added the third and fourth sentences to subdivision (b). Stats. 1994, Ch. 705, in effect January 1, 1995, added "or where . . . property" after "delinquent" in subparagraph (E) and deleted former subparagraph (F) of paragraph (1) of subdivision (a) which provided, "Unsecured property not secured by a lien on any real property, and the tax has become delinquent."

**2191.4. Lien upon all property in county.** From the time of filing the certificate for record pursuant to Section 2191.3, the amount required to be paid together with interest and penalty constitutes a lien upon all personal and real property in the county owned by and then assessed to and in the same name as the assessee named in the certificate or acquired by him or her in that name before the lien expires, except that the lien upon unsecured property shall not be valid against a purchaser for value or encumbrancer without actual knowledge of the lien when he or she acquires his or her interest in the property. The lien has the force, effect, and priority of a judgment lien and continues for 10 years from the time of the recording of the certificate unless sooner released or otherwise discharged.

Within 10 years from the date of the recording of the certificate or within 10 years from the date of the last extension of the lien, the lien may be extended by filing for record a new certificate in the office of any county recorder and from the time of the filing the lien as obtained under the original certificate shall be extended to all personal and real property in the county owned by the assessee for 10 years unless sooner released or otherwise discharged. Execution shall issue upon the lien upon request of the tax collector or the official collecting taxes on the unsecured roll in the same manner as execution may issue upon other judgments, and sales shall be held under that execution as prescribed in the Code of Civil Procedure.

**History.**—Added by Stats. 1961, p. 1486, in effect September 15, 1961. Stats. 1963, p. 2249, in effect September 20, 1963, added the words "and real property" in both paragraphs, and the words "as to personal property" in the first paragraph. Stats. 1967, p. 2795, in effect November 8, 1967, substituted present language from "county owned by" to "before the lien expires", substituted "upon unsecured property" after "except that the lien" in the first sentence of the first paragraph substituted "10" for "three" throughout the section; and substituted "any" for "the" prior to the "county recorder", added "as obtained under the original certificate" after "filing the lien" and substituted "assessee" for "taxpayer" in the first sentence of the second paragraph. Stats. 1997, Ch. 546 (SB 1107), in effect January 1, 1998, substituted "the" for "such" after "named in", added "or her" after "by him", substituted "that" for "such" before "name before", added "or she" after "when he" and added "or her" after "acquires his" in the first sentence of the first paragraph, substituted "the" for "such" after "time of" in the first sentence, and added the second sentence of the second paragraph.

**Priority in corporate dissolution.**—This section gives unpaid taxes a priority over unsecured creditors upon the filing of the certificate irrespective of whether the filing occurs before or after the start of the dissolution proceedings. *In re Trinity Tractor Co.*, 3 Cal.App.3d 428.

**Trustee in bankruptcy.**—The lien of a county under this section on personal property is not valid as against a bona fide purchaser and hence, is invalid against a trustee in bankruptcy. *In re Cummins*, 656 F.2d 1262.

**Encumbrancer without knowledge.**—The lien of a county under this section is not valid as against an encumbrancer without actual knowledge of the lien when the encumbrancer acquires his interest in the property. *CIT Corp. v. United States*, 344 F.Supp. 1272.

**Subordinate to homestead.**—A prior recorded homestead takes precedence over tax liens recorded against the homesteaded property for amounts assessed for personal property taxes on personal property which has never been situated on the homesteaded property. *Curtis v. Kern County*, 37 Cal.App.3d 704.

**2191.5. Lien subordinate to certain other liens.** Section 2191.4 does not give the county a preference over any other lien which attached prior to the date when the certificate of delinquency of unsecured property tax, tax on possessory interest, tax on goods in transit or such tax on improvements

respectively, was recorded, and the lien set forth in Section 2191.4 is subordinate to the preferences given to claims for personal services by Sections 1204 and 1206 of the Code of Civil Procedure.

**History.**—Added by Stats. 1961, p. 1486, in effect September 15, 1961. Stats. 1967, p. 2795, in effect November 8, 1967, substituted present language beginning after “certificate of delinquency of” and continuing until “was recorded.”

**2191.6. Removal and discharge of lien.** Except as otherwise provided in Section 2191.4, the lien resulting from the recording of the certificate pursuant to Section 2191.3 shall be removed and discharged either:

(a) Upon payment of the tax, any applicable penalty and interest, and a recording fee in the amount required by Section 27361.3 of the Government Code for each release of lien issued for each county in which the certificate was recorded, and upon the recording of a certificate of release or discharge of the lien in the office of the recorder of each county in which the certificate was filed. The recording fee, together with a certificate of release or discharge, shall be transmitted to the county recorder who shall record the certificate; or

(b) When the tax is legally canceled and a certificate of release or discharge is recorded in the office of the county recorder. A recording under this subdivision shall be made without fee.

**History.**—Added by Stats. 1976, Ch. 156, p. 252, in effect January 1, 1977. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “in the amount . . . Government Code” for “of six dollars (\$6)” after “recording fee” in first sentence of subdivision (a).

**2192. Lien date.** Except as otherwise specifically provided, all tax liens attach annually as of 12:01 a.m. on the first day of January preceding the fiscal year for which the taxes are levied.

**History.**—Stats. 1957, p. 3263, in effect September 11, 1957, added “Except as otherwise specifically provided.” Stats. 1967, p. 2244, in effect January 1, 1968, substituted “12:01 a.m. on the first day of” for “Noon on the first Monday in”. Stats. 1995, Ch. 499, in effect January 1, 1996, operative January 1, 1997, substituted “January” for “March” after “first day of”.

**Note.**—Section 21 of Stats. 1995, Ch. 499, provided that the change in the property tax lien date made by this act shall apply with respect to the January 1, 1997, lien date and each lien date thereafter.

**Ownership on lien date determines obligation to pay taxes.**—When property is sold subsequent to the first Monday in March, in the absence of agreement the duty rests upon the vendor to pay the taxes on the property for the ensuing fiscal year. *Estate of Backesto*, 63 Cal.App. 265.

Where a tax lien becomes effective after condemnees are deemed to have been divested of their interests in the property, they are entitled to compensation without deduction on account of the tax lien. But with respect to the taxes as to which a lien attached prior to the time title is deemed to have passed, the full amount of the taxes must be paid from the award. *City of Long Beach v. Aistrup*, 164 Cal.App.2d 41. Property permanently situated in and with a sole tax situs in California on the lien date, which property the owner subsequently moves to another state during the ensuing fiscal year, is not entitled to a proration or apportionment of property taxes based on the actual amount of time the property was located in California for that fiscal year. The lien date is simply a practical method for determining that a taxpayer has enjoyed the benefit of governmental services during the year preceding the assessment. Imposing the full burden of the tax on the property does not violate the due process, equal protection, or commerce clauses of the United States Constitution because the property enjoyed the opportunities, benefits and protections of the county and the State. *Seegmiller v. Nevada County*, 53 Cal.App.4th 1397.

**Bankruptcy—Priority.**—A tax lien attaching prior to an adjudication in bankruptcy is entitled to priority under the Bankruptcy Act, notwithstanding the fact that the amount of the tax is not ascertained until after the adjudication. *In re Knox-Powell-Stockton Co.*, 100 F.2d 979.

**2192.1. Priority of tax liens.** Every tax declared in this chapter to be a lien on real property, and every public improvement assessment declared by law to be a lien on real property, have priority over all other liens on the property, regardless of the time of their creation. Any tax or assessment described in the preceding sentence shall be given priority over matters

including, but not limited to, any recognizance, deed, judgment, debt, obligation, or responsibility with respect to which the subject real property may become charged or liable.

**History.**—Added by Stats. 1959, p. 2299, in effect September 18, 1959. Stats. 1983, Ch. 1281, in effect September 30, 1983, added “and” after “property”, and deleted “and the lien of taxes and assessments upon real property of all taxing agencies as set forth in Section 3900 of this code” before “have priority”. Stats. 1993, Ch. 853, in effect October 6, 1993, deleted “real” after “on the” in the first sentence, and added the second sentence.

**Note.**—The act which added this section also provided: It is the intent of the Legislature that Section 2192.1 of the Revenue and Taxation Code be declaratory of the existing law and it is not intended nor shall it be construed as effecting any change thereof. It is enacted to avoid the interpretation of the federal case of *Jefferson Standard Life Insurance Co. v. United States*, 247 F.2d 777, that the existing law, as generally recognized for many years and as set forth in California cases, including *California Loan and Trust Co. v. Weis*, 118 Cal. 489, has been changed from that which is declared herein.

**Legislative intent.**—This section is declaratory of the intent of previously enacted and future legislation. Accordingly, in a proceeding to apportion a condemnation award, a lien for unpaid property taxes is entitled to priority over a pre-existing mortgage lien which was created prior to the enactment of this section. *Redevelopment Agency v. Pacific Vegetable Oil Co.*, 241 Cal.App.2d 606.

**Federal tax lien.**—Federal tax lien has priority over subsequently accruing liens for local real estate taxes, and the state may not avoid the priority rules of the federal tax lien by characterizing subsequently accruing local liens as expenses of sale. *United States v. Buffalo Savings Bank*, 371 U.S. 228.

**2192.2. Distribution of proceeds from sale.** Upon the sale, other than a tax sale under this division or a sale pursuant to Article 1 (commencing with Section 2920) of Chapter 2 of Title 14 of Part 4 of Division 3 of the Civil Code, conducted under judicial process or otherwise by any sheriff, trustee, receiver, or other ministerial officer, of any real property upon which ad valorem property taxes or assessments are due and unpaid at the time of sale, the proceeds from that sale shall, after the payment of necessary and incidental sale expenses, be first applied to the amount of those ad valorem property taxes and assessments and be transmitted by the conducting officer to the officer responsible for the collection of those taxes and assessments.

**History.**—Added by Stats. 1993, Ch. 853, in effect October 6, 1993. Stats. 1996, Ch. 872, in effect January 1, 1997, deleted “constable,” after “by any sheriff.”.

**2193. Effect of lien.** Every lien created by this division has the effect of an execution duly levied against the property subject to the lien.

**Priority.**—The lien created by this section is paramount to previously created contract liens. *California Loan & Trust Co. v. Weis*, 118 Cal. 489. Although the court declared that a tax lien does not have priority over other liens unless the legislative enactment creating the lien has given it priority, the legislative intent to confer such priority was found to be disclosed by statutory provisions, now found in Section 2194 and in Section 3520, that the lien remains until the taxes are paid or the property is sold for the payment thereof and that the title conveyed by the tax deed is free of encumbrances. However, in *Jefferson Standard Life Ins. Co. v. United States*, 247 F.2d 777, the court found no California legislative enactment which gave a county tax lien on a bankrupt’s real estate priority over a pre-existing mortgage.

**2193.3. Cotton tax lien; time of attachment.** [Repealed by Stats. 1979, Ch. 1150, in effect September 29, 1979.]

**2193.5. Cotton tax lien; different fiscal year.** [Repealed by Stats. 1979, Ch. 1150, in effect September 29, 1979.]

**2194. Removal of lien.** (a) Except as otherwise provided in this chapter, the judgment is satisfied and the lien removed when, but not before, either of the following occur:

- (1) The tax is paid or legally canceled.
- (2) The property is sold to satisfy the tax lien.

(b) For purposes of this section, the tax is not deemed paid or legally canceled by virtue of a sale of a tax certificate for that tax pursuant to Section 4521.

**History.**—Stats. 1984, Ch. 988, in effect September 11, 1984, added “either of the following occur:” after “before” in the first sentence, deleted “or,” after “canceled” in subsection (a), and substituted subsection (b) for former subsection (b) which provided “for nonpayment of any taxes, the property is sold to a private purchaser or deeded to the state”. Stats. 1995, Ch. 189, in effect July 24, 1995, added subdivision letter designation (a) before first paragraph; renumbered former subdivisions (a) and (b) as (1) and (2), respectively; and added subdivision (b).

**Note.**—Section 74 of Stats. 1984, Ch. 988, in effect January 1, 1985, provided that (a) Whenever there has been a sale to the state or a deed to the state under the provisions of Division 1 (commencing with Section 101) of the Revenue and Taxation Code on or prior to the effective date of this act, and the right to redeem the property subject to the sale or deed has not been terminated, the sale or deed to the state shall be cancelled as of the effective date of this act. Any such property sold to the state shall be deemed “tax-defaulted” property as of the date of its sale to the state. Any such property deeded to the state shall be deemed “tax-defaulted” property as of the date of its sale to the state and shall be subject to a power of sale for nonpayment of taxes. Simultaneously with the cancellation of any tax deed to the state, the lien for delinquent taxes on the real property shall revive. That lien shall have priority over all other liens on the real property, regardless of the time of creation.

(b) For purposes of subdivision (a), the tax collector, for and on behalf of the state, shall execute and record with the county recorder of the county in which the property is located a release of equity or quitclaim of the property, in the form prescribed by the Controller. The release shall be acknowledged by the county clerk, without charge. Parties of interest in the property, prior to the issuance of the tax deed to the state shall acquire by the cancellation of the tax deed the same right or interests they had prior to the issuance of the tax deed, as if the tax deed were never issued. That right or interest shall be subject to the lien for taxes.

SEC. 75 thereof provided that notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made for reimbursement.

SEC. 76 thereof provided that the act does not contain a repealer.

**Limitation of action.**—An action to recover taxes or to enforce the lien thereof is subject to the limitations prescribed by the Code of Civil Procedure. *City of San Diego v. Higgins*, 115 Cal. 170. This case strongly indicated but did not squarely hold that such an action is subject to the three-year period prescribed by Section 338 of the Code of Civil Procedure, as an action upon a liability created by statute, rather than to the five-year period prescribed by Section 336, as an action upon a judgment.

It was held in *Clark v. City of San Diego*, 144 Cal. 361, that a tax lien is extinguished when an action for the collection of taxes is barred, so that the owner may quiet title even though the taxes have not been paid. The court cited Civil Code Section 2911, to the effect that “A lien is extinguished by the lapse of time within which \* \* \* an action can be brought upon the principal obligation.” A contrary result was reached, however, in *State v. Royal Consolidated Mining Co.*, 187 Cal. 343. In *Lewis v. Rothchild*, 92 Cal. 625, it was likewise held that the lien can be removed only by payment of the taxes or sale of the property for the payment thereof. The authority of the *Clark* case is further weakened by declarations in *City of San Diego v. Higgins*, supra, and in *San Francisco v. Jones*, 20 F. 188, and *Woods v. Hyde*, 64 Cal.App. 433, 437, that tax liens are not extinguished by reason of the fact that actions to collect the taxes or enforce the liens are barred.

In 1931 there was added to former Political Code Section 3816 the provision, now contained in Section 2195, that the lien ceases to exist after 30 years. No case has yet arisen applying this provision to the problem here discussed. See, however, the discussion of the 1931 amendment in *Ducey v. Dambacher*, 27 Cal.App.2d 658, 661.

The lien of an assessment continues until payment, despite the provisions of Section 2911 of the Civil Code relating to the extinguishment of liens by lapse of time. A property owner cannot, therefore, quiet title against the holder of an unpaid street assessment bond. Furthermore, the holder of the street assessment bond was held to be entitled to the surplus proceeds from the sale of property upon foreclosure of a superior lien. *Raisch v. Meyers*, 27 Cal.2d 773.

**Lien not extinguished by payment under protest.**—The lien is not removed by payment under protest of a tax which is subsequently adjudged void. *National Holding Co. v. Title Insurance and Trust Co.*, 45 Cal.App.2d 215.

**2195. Limitation.** Thirty years after any tax becomes a lien, if the lien has not been otherwise removed, the lien ceases to exist and the tax is conclusively presumed to be paid. The official having charge of the records of the tax shall mark it “Conclusively presumed paid.” Property for which a power to sell has been recorded for nonpayment of taxes is not subject to the provisions of this section.

**History.**—Stats. 1976, Ch. 156, p. 253, in effect January 1, 1977, added the third sentence. Stats. 1984, Ch. 988, in effect September 11, 1984, substituted “tax defaulted” for “deeded to the state” after “been” in the third sentence. Stats. 1997, Ch. 546 (SB 1107), in effect January 1, 1998, substituted “Thirty years after” for “After 30 years succeeding the time, heretofore or hereafter, when” before “any tax” in the first sentence and substituted “for which a power to sell has been recorded” for “which has been tax defaulted” in the third sentence.

**Note.**—See note following Section 2194.

**Construction.**—The section substitutes a statutory form of liquidation of a lien for actual payment. Thus, a tax lien on property is removed where it attached to the property over 30 years before the state executed its tax deed to itself and where no action was taken by the state during the 30 years to remove the lien or to otherwise protect its interest, and the tax deed is void and subject to attack at any time. *Paul v. Los Angeles County Flood Control District*, 37 Cal.App.3d 265.

**2196. Removal of invalid lien.** (a) If the tax collector determines, following the presentation of evidence by the owner or assessee of real property, that a lien on that property for unpaid taxes, assessments, fees, or charges levied by a local public entity has been erroneously filed for recordation, the tax collector shall send a document to the recorder stating the facts that indicate the erroneous filing. The document shall be clearly labeled with the words “Removal of Invalid Lien,” and shall be signed by either the tax collector or his or her deputy.

(b) The recorder shall mail the original “Removal of Invalid Lien” document to the owner of the property after recording the document.

(c) For purposes of this section, “local public entity” means a county, a city, or a district.

**History.**—Added by Stats. 1986, Ch. 81, effective January 1, 1987. Stats. 1998, Ch. 497 (SB 2233), in effect January 1, 1999, substituted “that” for “which” in the first sentence, and substituted a comma for a period after “Invalid Lien” and added “and shall be signed by either the tax collector or his or her deputy” after ““Removal of Invalid Lien,”” in the second sentence of subdivision (a).

**Note.**—Section 3 of Stats. 1986, Ch. 81, provided that no reimbursement shall be made from the State Mandate Claims Fund for costs mandated by the State pursuant to this act.

### CHAPTER 3. REIMBURSEMENT FOR COSTS MANDATED BY THE STATE \* †

- Article 1. Definitions. §§ 2201–2219.5.  
2. General Provisions. §§ 2225–2239.

\* Chapter 3 enacted by Stats. 1973, Ch. 358, p. 780, in effect August 31, 1973. Stats. 1973, Ch. 358, p. 798, provided in Section 6:

“Notwithstanding the provisions of Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of the Revenue and Taxation Code, any garbage disposal district organized pursuant to Chapter 1 (commencing with Section 4100) of Part 2 of Division 5 of the Health and Safety Code and formed prior to January 1, 1973, which depends upon multiyear contracts to carry out the entire purpose of the district may adjust its maximum rate to provide for the cost of any new contract which continues the level of service provided in the prior contract.

In addition the rate may cover an amount for proper overhead charges, a reserve for contingencies not to exceed 10 percent of the annual contract costs and an amount to offset normal tax delinquencies.

Districts covered under this section may also levy a rate to provide sufficient revenues to cover the cost of borrowing required to meet cash needs for the period prior to receipt of revenues.

Such districts may borrow from the treasury of the county in which it is located, and such county may loan amounts required to meet cash needs when no other source of revenue is available to the district.

Any district which adjusts its maximum tax rate under the provisions of this section is requested to report to the State Director of Finance as to the amount of such increase, the additional revenue to be raised by the increased rate, and the type of contract used to carry out the purpose of the district. The report requested under this section shall be made each October 1 for the 1973–74, 1974–75 and 1975–76 fiscal years only, as applicable.” and in Section 9:

“The Legislature finds and declares that there are no state-mandated costs to local government contained in Section 1 of this act for the following reasons:

(a) Cities are given an option to make payments to special districts, which payments are not required of cities by this act.

(b) Counties are presently required to collect taxes on behalf of cities within the county and a change in a city rate will not create any additional costs.

Therefore, no appropriation is made by this act nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code.”

† For limitations on tax rates in connection with public school financing see Division 15 of the Education Code, Chapter 3, “Maximum Property Tax Rates for the County Superintendent of Schools”, beginning Section 20450 (enacted Stats. 1973, Ch. 208, p. 546, in effect July 11, 1973), and Division 16 of the Education code, Chapter 3, Article 6, “Property Tax Revenue Control for School Districts”, beginning section 20902 (enacted Stats. 1972, p. 2948, in effect December 26, 1972, operative July 1, 1973, amended by Stats. 1973, Ch. 208, p. 546, in effect July 11, 1973.)

3. Method of Providing Reimbursement Revenue for Costs Mandated by State. §§ 2240–2246.2.
- 3.5. Claims Against the State for Additional Reimbursement. §§ 2250–2255.1.
- 3.6. Claims for Offsetting Local Savings Against State Reimbursements. §§ 2256–2256.6.
4. Maximum Property Tax Rates. §§ 2260–2267.
5. Additional Property Tax Rates. §§ 2270–2280.1.
6. Tax Rate Limit Elections. §§ 2285–2289.
7. Governmental Reorganization: Effect on Maximum Property Tax Rates. §§ 2295–2299.
8. Functional Consolidation: Effect on Maximum Property Tax Rates. §§ 2305–2309.
9. Reporting Tax Levies. §§ 2325–2327.

## Article 1. Definitions

- § 2201. Constructions.
- § 2202. “Ad valorem property taxation.”
- § 2203. “City.”
- § 2204. “Classification of property.”
- § 2205. “Costs mandated by the courts.”
- § 2206. “Costs mandated by the federal government.”
- § 2206.5. “Costs mandated by initiative enactment.”
- § 2207. “Costs mandated by the state.” [Repealed.]
- § 2207.5. “Costs mandated by state” further defined. [Repealed.]
- § 2208. “County.”
- § 2208.5. “School district.”
- § 2208.7. “Board.” [Repealed.]
- § 2209. “Executive order.”
- § 2210. “Law enacted after January 1, 1973.”
- § 2211. “Local agency.”
- § 2212. “Percentage change in cost of living.”
- § 2213. “Property tax rate.”
- § 2214. “Sales tax exemption.”
- § 2215. “Special district.”
- § 2216. Other agencies included in term “special district.”
- § 2217. “District defined for Article XIII A.” [Repealed.]
- § 2218. “Claims”: “Test claim,” “claim of first impression,” “estimated claim,” “reimbursement claim.” [Repealed.]
- § 2218.5. Filing claims. [Repealed.]
- § 2219. “Cost savings authorized by state.” [Repealed.]
- § 2219.5. “Cost savings authorized by state.” [Repealed.]

2201. **Construction.** Unless the context otherwise requires, the definitions contained in this article govern the construction of this chapter. The definition of a word applies to any variants thereof; the singular tense of a word includes the plural.

2202. **“Ad valorem property taxation.”** “Ad valorem property taxation” means any source of revenue derived from applying a property tax rate to the assessed value of property.

2203. **“City.”** “City” means any city whether general law or charter, except a city and county.

2204. **“Classification of property.”** “Classification of property” means any enumeration or grouping of property by a statute which results in it being treated differently from other property for purposes of taxation.

**2205. “Costs mandated by the courts.”** “Costs mandated by the courts” means any increased costs incurred by a local agency or school district in order to comply with a final court order issued after January 1, 1973, or with a final court order issued prior to July 1, 1972, if the costs incurred by a local agency or school district as a result thereof are not incurred until after June 30, 1973. “Costs mandated by the courts” do not include (i) costs incurred as a result of a judgment in an eminent domain or condemnation proceeding, (ii) costs incurred in order to comply with a final court order mandating the specific performance, or awarding damages as a result of nonperformance, of any contract or agreement entered into after January 1, 1973, and (iii) costs incurred as a result of a final court order which requires a local agency or school district to comply with a state-mandated program or service enacted after January 1, 1973, which the court has determined that the local agency or school district has failed to comply with prior to such order.

**History.**—Stats. 1974, Ch. 463, p. 1085, in effect July 11, 1974, added the balance of the first sentence after “January 1, 1973”. Stats. 1980, Ch. 1256, in effect January 1, 1981, added “or school district” after “local agency” before “in order” and before “as a result” in the first sentence and added the balance of the second sentence after “January 1, 1973.”

**Construction.**—A court order forcing a school district to comply with a statute, which was incorporated into teachers’ contracts, and awarding all incidental damages, including back pay, resulting from the district’s failure to comply with the law mandated “the specific performance, or awarding of damages as a result of nonperformance” of such contracts, and the district could not increase its revenue limit. *Cory v. Poway Unified School District*, 147 Cal.App.3d 1158.

**2206. “Costs mandated by the federal government.”** “Costs mandated by the federal government” means any increased costs mandated specifically by the federal government upon a local agency or school district after January 1, 1973, in order to comply with requirements of federal statute or regulation. “Costs mandated by the federal government” includes costs resulting from enactment of a state law or regulation where failure to enact such law or regulation to meet specific federal program or service requirements would result in substantial monetary penalties or loss of funds to public or private persons in the state. “Costs mandated by the federal government” does not include costs which are specifically reimbursed or funded by the federal or state government or programs or services which may be implemented at the option of the state, local agency, or school district.

**History.**—Stats. 1980, Ch. 1256, in effect January 1, 1981, added “specifically by the federal government” and “or school district” after “upon a local agency” in the first sentence, and added the second sentence.

**2206.5. “Costs mandated by initiative enactment.”** “Costs mandated by the voters” means any increased costs expressly mandated upon a local agency or school district after September 2, 1975, by any statute or any amendment to the State Constitution adopted or enacted pursuant to the approval of a statewide ballot measure by the voters. “Costs mandated by the voters” does not include costs which are specifically reimbursed or funded by the terms of such ballot measure.

**History.**—Added by Stats. 1975, Ch. 486, p. 997, in effect September 2, 1975. Stats. 1976, Ch. 1079, p. 4884, in effect January 1, 1977, substituted “September 2, 1975,” for “the effective date of this section” in the first sentence. Stats. 1978, Ch. 794, effective September 18, 1978, in the first sentence deleted the words “initiative enactment” and inserted the words “the voters”; also deleted the words “provisions of Section 22 of Article IV of the State Constitution.” and inserted “approval of a statewide ballot measure by the voters.” In the second sentence deleted the words “initiative enactment” and replaced those words by “the voters” and “ballot measure”.

2207. **“Costs mandated by the state.”** [Repealed by Stats. 1989, Ch. 589, in effect January 1, 1990.]

2207.5. **“Costs mandated by the state,” further defined.** [Repealed by Stats. 1989, Ch. 589, in effect January 1, 1990.]

2208. **“County.”** “County” means any chartered or general law county. “County” includes a city and county.

2208.5. **“School district.”** “School district” means any school district, community college district, or county superintendent of schools.

*History.*—Added by Stats. 1977, Ch. 1135, in effect January 1, 1978.

2208.7. **“Board.”** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

2209. **“Executive order.”** “Executive order” means any order, plan, requirement, rule or regulation issued:

- (a) By the Governor, or
- (b) By any officer or official serving at the pleasure of the Governor, or
- (c) By any agency, department, board or commission of state government; provided that the term “executive order” shall not include any order, plan, requirement, rule or regulation issued by the State Water Resources Control Board or by any regional water quality control board pursuant to Division 7 (commencing with Section 13000) of the Water Code.

It is the intent of the Legislature that the State Water Resources Control Board and regional water quality control boards will not adopt enforcement orders against publicly owned dischargers which mandate major waste water treatment facility construction costs unless federal financial assistance and state financial assistance pursuant to the Clean Water Bond Act of 1970 and 1974, is simultaneously made available.

“Major” means either a new treatment facility or an addition to an existing facility, the cost of which is in excess of 20 percent of the cost of replacing the facility.

*History.*—Added by Stats. 1974, Ch. 457, p. 1079, in effect January 1, 1975. Stats. 1975, Ch. 486, p. 998, in effect September 2, 1975, substituted the first paragraph for the former first paragraph, and deleted “in enacting this section” after “Legislature” in the first sentence of the second paragraph.

2210. **“Law enacted after January 1, 1973.”** “Law enacted after January 1, 1973,” means any statute enacted by the Legislature after January 1, 1973.

*History.*—Added by Stats. 1975, Ch. 486, p. 998, in effect September 2, 1975.

2211. **“Local agency.”** “Local agency” means any city, county, special district, authority or other political subdivision of the state.

*History.*—Stats. 1981, Ch. 242, in effect July 21, 1981, deleted “or” after “county” and added “authority or other political subdivision of the state” after “district”.

*Note.*—Section 11 of Stats. 1981, Ch. 242, provided that for the purposes of filing a claim for reimbursement pursuant to Section 6 of Article XIII B of the California Constitution or Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of the Revenue and Taxation Code, the effective date of Section 8 of this act shall be deemed to be July 1, 1980.

2212. **“Percentage change in cost of living.”** “Percentage change in the cost of living” means the percentage change from April 1 of the prior year to April 1 of the current year in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.

2213. **“Property tax rate.”** “Property tax rate” means any rate of tax or assessment which is levied per unit of assessed value of property. “Property tax rate” includes any rate or assessment which is levied on the value of land only, as well as any rate or assessment which is levied on the value of land and improvements.

2214. **“Sales tax exemption.”** “Sales tax exemption” means any provision which causes a reduction in revenue to a city or county under Part 1.5 (commencing with Section 7200) of Division 2.

2215. **“Special district.”** “Special district” means any agency of the state for the local performance of governmental or proprietary functions within limited boundaries. “Special district” includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area, formed for the purpose of designating an area within which a property tax rate will be levied to pay for a service or improvement benefiting that area. “Special district” does not include a city, a county, a school district or a community college district. “Special district” does not include any agency which is not authorized by statute to levy a property tax rate. However, for the purpose of the allocation of property taxes pursuant to Chapter 6 (commencing with Section 95) of Part 0.5, and notwithstanding Section 2237, any special district authorized to levy a property tax by the statute under which the district was formed shall be considered a special district.

History.—Stats. 1975, Ch. 486, p. 998, in effect September 2, 1975, added the fourth sentence. Stats. 1980, Ch. 801, in effect July 28, 1980, added the fifth sentence.

Note.—Section 18 of Stats. 1980, Ch. 801, provided no payment by state to local governments because of this act, however, a local agency or school district may pursue other remedies to obtain reimbursement.

2216. **Other agencies included in term “special district.”** County free libraries established pursuant to Chapter 2 (commencing with Section 27151) of Division 20 of the Education Code; areas receiving county fire protection services pursuant to Section 25643 of the Government Code; and county road districts established pursuant to Chapter 7 (commencing with Section 1550) of Division 2 of the Streets and Highways Code, shall be considered “special districts” for all purposes of this chapter.

2217. **“District defined for Article XIII A.”** [Repealed by Stats. 1981, Ch. 242, in effect July 21, 1981.]

2218. **“Claims”: “Test claim,” “claim of first impression,” “estimated claim,” “reimbursement claim.”** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

2218.5. **Filing claims.** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

2219. **“Cost savings authorized by state.”** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

2219.5. **“Cost savings authorized by state.”** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

## Article 2. General Provisions

- § 2225. Constitutional authorization. [Repealed.]
- § 2226. Legislative intent. [Repealed.]
- § 2227. Department of Finance to transmit estimate of percentage change in population to cities and counties.
- § 2228. Percentage change: special districts.
- § 2228.1. Department of Finance to transmit estimate of percentage change in population to community college districts.
- § 2229. Limitations on property tax exemptions enacted after January 1, 1973; state reimbursement; review by Legislative Analyst.
- § 2230. State reimbursement for sales and use tax exemption enacted after January 1, 1973.
- § 2230.5. Department of Finance review of statutes and executive orders relating to Sections 2229 and 2230.
- § 2231. State reimbursement for state mandated acts. [Repealed.]
- § 2231.5. Costs of state-mandated local programs; review. [Repealed.]
- § 2232. Reimbursed funds may be used for any public purpose.
- § 2233. Limitation on amount of claims.
- § 2234. State reimbursement for state mandated acts; reduction in property tax rate. [Repealed.]
- § 2235. Filing of claims.
- § 2236. Insufficient funds; proration of claims. [Repealed.]
- § 2237. Levy of ad valorem taxes prohibited by school district. [Repealed.]
- § 2237.1. “Indebtedness approved by the voters prior to July 1, 1978”; “obligations.” [Repealed.]
- § 2237.2. Report of ad valorem taxes levied.
- § 2237.3. Report of ad valorem taxes levied in fiscal years 1978–79 through 1982–83.
- § 2237.4. Failure to report.
- § 2237.5. Unsecured roll; tax rates.
- § 2238. Payment of late claims. [Repealed.]
- § 2239. Claims for costs mandated by the state before July 1, 1980; claims considered by Commission on State Mandates. [Repealed.]

2225. **Constitutional authorization.** [Repealed by Stats. 1980, Ch. 1256, in effect January 1, 1981.]

2226. **Legislative intent.** [Repealed by Stats. 1980, Ch. 1256, in effect January 1, 1981.]

2227. **Department of Finance to transmit estimate of percentage change in population to cities and counties.** Annually, the Department of Finance shall transmit to each city and each county an estimate of the percentage change in the population of the city or the county. Such estimates shall indicate the percentage change in the resident population, excluding the population in state mental and correctional facilities and in federal correctional and federal military installations, of each city and each county between January 1 of the prior year and January 1 of the current year. Such statements shall be transmitted by May 1.

The Department of Finance may request data from any local agency to be used to prepare the population estimate required by this section. If any local agency fails to supply the requested data, the department is not required to provide an estimate for that agency, but may do so using the method deemed most appropriate by the department.

**2228. Percentage change: special districts.** (a) The annual percentage change in population for special districts shall be the percentage changes established pursuant to Section 2227 and this section:

(1) If a special district is located entirely within a city, the annual percentage change in population for the district shall be that established for the city pursuant to Section 2227.

(2) If a special district is located entirely within the unincorporated area of a county, the annual percentage change in population for the district shall be that established for the county or the unincorporated area of the county.

(3) If a special district is located within a single county or within more than one city or any combination of cities and unincorporated areas within a single county, the annual percentage change in population for the district shall be that established for the county or the weighted average of the percentage change of each city and the unincorporated area.

(4) If a special district is located within more than one county, the annual percentage change in population for the district shall be the weighted average of the percentage change of each county or city or unincorporated area within the district or any combination, provided that the areas selected are mutually exclusive.

(b) The Department of Finance may request data from any local jurisdiction to be used to prepare the percentage change in population required by this section. The Department of Finance shall determine the weights to be used in establishing weighted averages.

(c) If the governing body of a special district determines that the percentage change in population in subdivision (a) will not be accurate for the district, it may, before June 1, request the Department of Finance to prepare a special population change estimate for the district. The department shall comply with the request before September 1, and the estimate prepared by the department shall be used to determine population change for purposes of this chapter. The district shall reimburse the department for the actual cost of preparing the estimate.

History.—Stats. 1975, Ch. 486, p. 999, in effect September 2, 1975, substituted “the annual percentage change for such district shall be the weighted average of the percentage change of each such county” for “it may select the percentage change of any of such counties” in the second sentence, and added the third sentence of subdivision (a); added subdivision (b); and relettered the former subdivision (b) as subdivision (c). Stats. 1982, Ch. 1638, in effect October 1, 1982, added “changes” after “percentage”, deleted “for the county” after “established”, and added “and this section” after “2227” in the first sentence of subdivision (a), and substituted subdivisions (a)(i)–(a)(iv) for the former second, third, and fourth sentences of subdivision (a); substituted the first sentence of subdivision (b) for the former first sentence, and substituted “establishing weighted averages” for “determining such average” after “used in” in the second sentence thereof; and deleted “county” before “percentage”, added “in subdivision (a)” after “population”, substituted “before June 1” for “within 30 days after May 1” after “May”, substituted “Department of Finance” for “Department” after “Request the”, and added “change” after “population” in the first sentence, and substituted “before September 1” for “prior to August 1” after “request” in the second sentence of subdivision (c). Stats. 1984, Ch. 193, in effect January 1, 1985, renumbered former subsections (i), (ii), (iii), and (iv) as (1), (2), (3), and (4), respectively, in subdivision (a).

**2228.1. Department of Finance to transmit estimate of percentage change in population to community college districts.** (a) Annually, the Department of Finance shall transmit to each community college district an estimate of its annual percentage change in adult population. Such estimates shall indicate the percentage change in the resident population within the geographic boundaries of the district consistent with the geographic boundaries used to determine the assessed valuation for the current and budget fiscal years excluding the population in state and federal correctional institutions and all full-time enrollment associated with four-year educational institutions with an enrollment of 3,000 or more and persons residing in military barracks of each district between January 1 of the prior year and January 1 of the current year if possible, or between the fall school census week of the prior fiscal year and the fall school census week of the current year. Such statements shall be transmitted by May 15.

The Department of Finance may request data from any local agency to be used to prepare the population estimate required by this section. If any local agency fails to supply the requested data, the department is not required to provide an estimate for the school district affected, but may do so using the method deemed most appropriate by the department after first notifying the community college district.

(b) If the total population of a district as currently delineated was within 15 percent of the total population of one or more cities or counties or city and county each of whose population is 50 percent or more within the district as of the most recent federal special or decennial census or local census carried out under the Department of Finance supervision covering the area in question, it may apply to the Department of Finance for a special estimate of the percentage change in total population of the corresponding area for the past year. The department will prepare the estimate in accordance with the data and methods used pursuant to Section 2227 of the Revenue and Taxation Code and the district may use the estimate in lieu of the estimate prepared under subdivision (a) of this section.

History.—Added by Stats. 1976, Ch. 323, p. 887, in effect July 2, 1976. Stats. 1976, Ch. 991, p. 2357, in effect September 15, 1976, added the subdivision letters; added “adult” after “in” in the first sentence, and substituted “and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more and persons residing in military barracks” for “mental and correctional facilities and in federal correctional institutions” in the second sentence of the first paragraph of subdivision (a); and revised the first sentence, and added the second sentence to subdivision (b). Stats. 1977, Ch. 915, in effect January 1, 1978, added “within the geographic boundaries of the district consistent with the geographic boundaries used to determine the assessed valuation for the current and budget fiscal years” after “population”, and substituted “full-time enrollment” for “persons residing in student housing” in the second sentence of subdivision (a).

**2229. Limitations on property tax exemptions enacted after January 1, 1973; state reimbursement; review by Legislative Analyst.** (a) Any classification or exemption of property for purposes of ad valorem property taxation enacted by the Legislature after January 1, 1973, shall be reimbursed by the state for the 1973–1974 fiscal year and for each fiscal year thereafter.

(b) For purposes of this section the actual loss of revenue does not include potential revenue from property of a type which was not being assessed and taxed on January 1, 1973.

(c) Upon appropriation of reimbursement funds by the Legislature, each county auditor shall file a claim with the Controller on or before September 30 for reimbursement of the tax loss attributable to the exemption. The Controller shall pay on or before December 30 of each year one-half of the amount claimed and shall pay the other one-half on or before April 30. The Controller may audit, or may request the State Board of Equalization to audit, any of these claims or payments. This section does not apply to classes of property affected by Sections 988, 1152, 5303, and subdivision (c) of Section 227.

(d) The Legislative Analyst shall review any classification or exemption of property to which this section is applicable and shall report to the Legislature on the general economic effects thereof. This report shall be submitted at least one year prior to the date on which the classification or exemption is scheduled to terminate.

(e) Any claim alleging that the reimbursement requirements of this section have not been complied with shall be presented directly to the Legislature and Sections 905.2 and 945.4 of the Government Code shall not apply thereto.

History.—Stats. 1977 Ch. 309, in effect July 8, 1977 added “subdivision (b) of” in the fourth paragraph and added the sixth paragraph. Stats. 1984, Ch. 1325, in effect September 25, 1984, substituted the fourth paragraph for the former fourth paragraph, which provided that “Claims for reimbursement shall be filed according to the procedure provided in Section 16113 of the Government Code. Upon appropriation of reimbursement funds by the Legislature, the Controller shall pay such claims at the times provided in subdivision (b) of Section 16115 of the Government Code. Such claims shall be audited as provided in Section 16114 of the Government Code”. Stats. 1986, Ch. 608, effective January 1, 1987, substituted “section does” for “paragraph shall” after “This”, deleted “219,” after “Sections”, deleted “991, 992,” after “988,”, deleted “5523,” after “5303,” and deleted “of the Revenue and Taxation Code” after “227” in the fourth sentence of the fourth paragraph; substituted “This” for “Such” in the second sentence of the fifth paragraph; and deleted “the provisions of” after “Legislature and” in the sixth paragraph. Stats 1994, Ch. 229, in effect January 1, 1995, added subdivision letter designations (a), (b), (c), (d), (e); and substituted “Any” for “No” before “classification” at the beginning of, and deleted “extend for more than five years or shall exempt more than 75 percent of the value thereof from such taxation. Any such classification or exemption enacted by the Legislature after January 1, 1973, shall” after “shall” in subdivision (a).

**2230. State reimbursement for sales and use tax exemption enacted after January 1, 1973.** The state shall annually reimburse cities and counties for the net loss of revenue from each statute enacted after January 1, 1973, which provides for a sales or use tax exemption. The reimbursement shall be made, when funds have been appropriated by the Legislature, as follows:

(a) Twenty percent of the local net loss shall be distributed to the counties in the same ratio as the total amount of sales and use taxes collected in each county is to the whole. This amount of money shall be deposited by the board of supervisors in the local transportation fund established pursuant to Section 29530 of the Government Code. These moneys shall become part of the local transportation fund and shall be appropriated in the same manner and for the same purposes specified in Section 29531 of the Government Code.

(b) Eighty percent of the local net loss shall be distributed to cities and counties in the same ratio as provided in Section 30462 for the distribution of moneys from the Cigarette Tax Fund.

The distribution of reimbursement moneys pursuant to this section shall be made at the same time and in the same manner as provided in Section 30462 for the distribution of moneys from the Cigarette Tax Fund.

For purposes of this section the Director of Finance shall estimate the annual net loss of revenue to local agencies. In the case of legislative bills which provide for a sales or use tax exemption, the Director of Finance shall prepare an estimate of the annual net loss of revenue to local agencies during the initial fiscal year in which the bill becomes effective. An appropriation consistent with such estimate shall be included in the bill. In subsequent fiscal years an appropriation to reimburse local agencies as required by this section shall be included in the State Budget. The amount included each year in the State Budget shall be changed by the estimated percentage change from the prior year, in the amount of revenue distributed to cities and counties pursuant to Part 1.5 (commencing with Section 7200) of Division 2.

For purposes of this section the net loss of revenue does not include (i) potential revenue from the sale or use of property of a type which was not being taxed on January 1, 1973, or (ii) the amount which would have been deducted by the Board of Equalization pursuant to Section 7204.3 for the cost of administering local sales and use tax ordinances.

In lieu of distributing reimbursement revenue as provided in this section, any statute exempting property from sales or use tax may provide an alternative procedure for such distribution.

Any claim alleging that the reimbursement requirements of this section have not been complied with shall be presented directly to the Legislature and the provisions of Sections 905.2 and 945.4 of the Government Code shall not apply thereto.

*History.—Stats. 1977, Ch. 309, in effect July 8, 1977 added the sixth paragraph.*

**2230.5. Review by Department of Finance.** Notwithstanding the provisions of Sections 2229 and 2230, prior to the end of each calendar year, commencing with the 1978 calendar year, the Department of Finance shall review all statutes enacted and executive orders issued during such calendar year which contain provisions relating to Sections 2229 and 2230. The department shall cause to be included in each Budget Bill the amount necessary to provide for reimbursement to local agencies and school districts for the net property tax revenue losses and for reimbursement to cities and counties for the net revenue losses caused by any sales or use tax exemption.

*History.—Added by Stats. 1977, Ch. 1135, in effect January 1, 1978.*

**2231. State reimbursement for state mandated acts.** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

**2231.5. Costs of state-mandated local programs; review.** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

**2232. Reimbursed funds may be used for any public purpose.** Any funds received by a local agency or school district pursuant to the provisions of this chapter may be used for any public purpose.

*History.—Stats. 1980, Ch. 1256, in effect January 1, 1981, added "or school district" after "local agency."*

**2233. Limitation on amount of claims.** (a) The Director of Finance shall include in the Governor's Budget an appropriation for a statute which has an otherwise minimal fiscal effect on local agencies or school districts if the director determines that the fiscal effect of the statute and other related statutes is, in the aggregate, significant.

(b) No claim shall be made pursuant to Sections 2229 and 2231 nor shall any payment be made on claims submitted pursuant to Sections 2229 and 2231 unless such claims exceed two hundred dollars (\$200), provided that a county superintendent of schools or county may submit a combined claim on behalf of direct service districts or special districts within their county if the combined claim exceeds two hundred dollars (\$200) even if the individual direct service or special district's claims do not each exceed two hundred dollars (\$200). The county superintendent of schools or county shall determine if the submission of such combined claim is economically feasible and shall be responsible for disbursing such funds to each direct service or special district. Such combined claims may be filed only when the superintendent of schools or county is the fiscal agent for such districts. All subsequent claims based upon the same mandate shall only be filed in such combined form.

History.—Added by Stats. 1975, Ch. 105, p. 178, in effect January 1, 1976. Stats. 1977, Ch. 1135, in effect January 1, 1978, substituted "two hundred dollars (\$200)" for fifty dollars (\$50). Stats. 1980, Ch. 1256, in effect January 1, 1981, added the balance of the first sentence after the first "(\$200)" and added the second, third, and fourth sentences. Stats. 1982, Ch. 1638, in effect October 1, 1982, added subdivision (a) and added "(b)" before "No claim".

**2234. State reimbursement for state mandated acts; reduction in property tax rate.** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

**2235. Filing of claims.** Claims for direct and indirect costs filed pursuant to Sections 2229 and 2231 shall be filed in the manner prescribed by the State Controller.

History.—Added by Stats. 1975, Ch. 105, in effect January 1, 1976. Renumbered to section 2235 by Stats. 1977, Ch. 309, in effect July 8, 1977.

Note—Section 2235 as added by Stats. 1978, Ch. 292, was repealed and renumbered to § 2237 by Stats. 1978, Ch. 332.

**2236. Insufficient funds; proration of claims.** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

**2237. Levy of ad valorem taxes prohibited by school district.** [Repealed by stats. 1980, Ch. 1256, in effect January 1, 1981.]

**2237.1. "Indebtedness Approved by the Voters Prior to July 1, 1978"; "Obligations".** [Repealed by Stats. 1980, Ch. 1256, in effect January 1, 1981.]

**2237.2. Report of ad valorem taxes levied.** (a) Annually, no later than 90 days following the end of the fiscal year, each local agency (as defined in Section 95) shall report to the Controller any ad valorem property tax levied by or on behalf of the local agency for the current fiscal year at a rate which is in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the Constitution. For purposes of this section,

ad valorem property taxes levied by the county or by a special district governed by the board of supervisors at a rate in excess of the limitation prescribed in subdivision (a) of Section 1 of Article XIII A of the Constitution shall be reported by the county auditor.

(b) The information to be reported pursuant to this section shall be provided on a form to be specified by the Controller and shall include all of the following information:

(1) A description of the local obligation or indebtedness for which the tax is levied.

(2) The reason for the exemption from the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the Constitution.

(3) The date of the election authorizing each tax levy, the results of the election, and a copy of the ballot measure, if the levy was authorized by election.

(4) The tax rate and the total revenues expected to be generated in the fiscal year.

(5) Actual revenues, if any, generated from the levy in the prior fiscal year and actual expenditures, if any, made in the prior year for the local obligation or indebtedness for which the tax was levied.

(6) Any other information relating to the levy of property tax at a rate in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A which the Controller deems relevant.

(c) With respect to ad valorem property tax levies in excess of the rate limitation prescribed in subdivision (a) of Section 1 of Article XIII A of the Constitution which have been authorized by the voters but not collected during the fiscal year, each local agency shall report the information specified in paragraphs (1), (2), and (3) of subdivision (b).

(d) The official of each local agency responsible for submitting the report required by this section shall certify that the information submitted is, to the best of his or her knowledge, true and accurate.

(e) The Controller shall require that any property tax levied at a rate in excess of the limit prescribed by subdivision (a) of Section 1 of Article XIII A of the Constitution be reported in the manner specified in this section.

(f) For purposes of this section, an “ad valorem property tax” shall be any tax or assessment imposed on the basis of the value of the real property, including any special ad valorem assessment.

**History.**—Added by Stats. 1982, Ch. 45, in effect January 1, 1983.

**Note.**—Section 5 of Stats. 1982, Ch. 45, provided that it is the intent of the Legislature, in requiring the reporting and publishing of information pursuant to this act, to make available to the public information on ad valorem property taxes levied by local governments at rates in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the Constitution. It is not the intent of the Legislature in enacting this act to address in any way the constitutionality of any ad valorem property taxes levied at rates in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the Constitution. Section 7 thereof provided that notwithstanding Section 6 of Article XIII B of the Constitution and Section 2231 or 2234 of the Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code. Section 8 thereof provided that notwithstanding Section 2231.5 of the Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

**2237.3. Report of ad valorem taxes levied in fiscal years 1978-79 through 1982-83.** (a) No later than April 1, 1983, each local agency (as defined in Section 95) shall report to the Controller any ad valorem property tax levied in fiscal year 1978-79, 1979-80, 1980-81, 1981-82, or 1982-83 by, or on behalf of, the local agency at a rate which is in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the Constitution. For purposes of this section, ad valorem property taxes levied by the county or by a special district governed by the board of supervisors at a rate in excess of the limitation prescribed in subdivision (a) of Section 1 of Article XIII A of the Constitution shall be reported by the county auditor.

(b) The information to be reported pursuant to this section shall be provided on a form to be specified by the Controller and shall include all of the following information:

(1) A description of the local obligation or indebtedness for which the tax was levied.

(2) The reason for the exemption from the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the Constitution.

(3) The date of the election authorizing each tax levy, the results of the election, and a copy of the ballot measure, if the levy was authorized by election.

(4) The tax rate and the total revenues generated in each of the fiscal years.

(5) Actual revenues, if any, generated from the levy in the prior fiscal year and actual expenditures, if any, made in the prior year for the local obligation or indebtedness for which the tax was levied.

(6) Any other information relating to the levy of property tax at a rate in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A which the Controller deems relevant.

(c) With respect to ad valorem property tax levies in excess of the rate limitation prescribed in subdivision (a) of Section 1 of Article XIII A of the Constitution which have been authorized by the voters but not collected in fiscal years 1978-79, 1979-80, 1980-81, 1981-82, or 1982-83, each local agency shall report the information specified in paragraphs (1), (2), and (3) of subdivision (b).

(d) The official of each local agency responsible for submitting the report required by this section shall certify that the information submitted is, to the best of his or her knowledge, true and accurate.

(e) The Controller shall require that any property tax levied in fiscal years 1978-79, 1979-80, 1980-81, 1981-82, or 1982-83 at a rate which is in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the Constitution be reported in the manner specified in this section.

(f) For purposes of this section, an "ad valorem property tax" means any tax or assessment imposed on the basis of the value of the real property, including any special ad valorem assessment.

(g) If a local agency fails to file a report required by this section by April 1, 1983, the Controller and the county auditor in the succeeding fiscal year shall reduce the payment they are required to make to such jurisdiction based on claims filed pursuant to Section 16113 of the Government Code. The reduction shall be 10 percent of the prior year's payment or five thousand dollars (\$5,000), whichever is less.

**History.**—Added by Stats. 1982, Ch. 45, in effect January 1, 1983. See Note following Section 2237.2.

**2237.4. Failure to report.** If a local agency fails to file by October 1 each year a report required by Section 2237.2, the Controller and the county auditor in the succeeding fiscal year shall reduce the payment they are required to make to such jurisdiction based on claims filed pursuant to Section 16113 of the Government Code. The reduction shall be 10 percent of the prior year's payment or five thousand dollars (\$5,000), whichever is less.

**History.**—Added by Stats. 1982, Ch. 45, in effect January 1, 1983. See Note following Section 2237.2.

**2237.5. Unsecured roll; tax rates.** For the 1979–80 fiscal year and thereafter, except as provided by subdivision (b) of Section 12 of Article XIII of the Constitution, for purposes of computing tax rates on the unsecured tax roll, the county auditor may add to the 1 percent rate the rate levied on the prior year's secured tax roll for indebtedness approved by the voters prior to July 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of the voters on or after June 4, 1986, as described in subdivision (b) of Section 1 of Article XIII A of the California Constitution.

**History.**—Added by Stats. 1980, Ch. 60, in effect April 11, 1980. Stats. 1986, Ch. 1457, effective January 1, 1987, added "and bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of the voters on or after June 4, 1986," after "July 1, 1978".

**Note.**—Section 29 of Stats. 1986, Ch. 1457, provided that no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution.

**2238. Payment of late claims.** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

**2239. Claims for costs mandated by the state before July 1, 1980; claims considered by Commission on State Mandates.** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

### Article 3. Method of Providing Reimbursement Revenue for Costs Mandated by State \*

- § 2240. Determination and appropriation of reimbursement revenue.
- § 2241. Legislative Counsel to determine whether state reimbursement required.
- § 2242. Department of finance to prepare reimbursement estimates.
- § 2243. Periods for which reimbursement estimates to be prepared.
- § 2244. Legislative amendments requiring state reimbursement.
- § 2245. Appropriations. [Repealed.]
- § 2246. Annual review of statutes and annual report to legislature.
- § 2246.1. Annual report by Legislative Analyst. [Repealed.]
- § 2246.2. Reimbursement for statutes which increase the penalty for a crime or infraction.

\* Article 3 was added by Stats. 1975, Ch. 486, p. 1000, in effect September 2, 1975.

**2240. Determination and appropriation of reimbursement revenue.** Revenues to reimburse local agencies and school districts pursuant to the provisions of Section 2229 or 2230 shall be determined and appropriated as provided in this article.

History.—Added by Stats. 1975, Ch. 486, effective September 2, 1975. Stats. 1986, Ch. 879, effective January 1, 1987, substituted “or 2230” for “, 2230, or 2231” after “2229”, and deleted “and Section 2231” after “article”.

**2241. Legislative Counsel to determine whether state reimbursement required.** When a bill is introduced in the Legislature, and each time a bill is amended, the Legislative Counsel shall determine whether the bill requires state reimbursement to local agencies or school districts pursuant to Section 2229 or 2230. The Legislative Counsel shall make this determination known in the digest of the bill and shall describe in the digest the basis for this determination.

In making any determination required by this section the Legislative Counsel shall disregard any provision in a bill which would make inoperative the reimbursement requirements of Section 2229 or 2230, and shall make his or her determination irrespective of any provision to that effect.

History.—Stats. 1978, Ch. 794, in effect September 18, 1978, added “and each time a bill is amended,” after “Legislature” in the first sentence of the first paragraph and added the third sentence thereto. Stats. 1982, Ch. 734, in effect September 8, 1982, substituted “the” for “such” after “whether” in the first sentence, added “and shall . . . determination” after “bill” in the second sentence, and substituted “the bill shall be deemed to” for “the Legislative Counsel shall find that such bill does” before “require”, and added “the Legislative Counsel” before “shall make” in the third sentence of the first paragraph; and substituted “any” for “the” after “making” and “provision to that effect” for “such provision” after “of any” in the second paragraph. Stats. 1986, Ch. 879, effective January 1, 1987, substituted “or 2230” for “, 2230, or 2231” after “2229” in the first sentence, substituted “The Legislative Counsel” for “He” at the beginning of the second sentence, deleted the former third sentence of the first paragraph; and substituted “or 2230” for “, 2230, or 2231” and added “or her” after “his” in the second paragraph.

**2242. Department of Finance to prepare reimbursement estimates.** Whenever the Legislative Counsel determines that a bill will require state reimbursement to a local agency or a school district as provided in Section 2229 or 2230 the Department of Finance shall prepare estimates of the amount of reimbursement which will be required. The estimates shall be prepared for the respective committees of each house of the Legislature which consider taxation measures and appropriation measures and shall be prepared prior to any hearing on such a bill by any such committee.

History.—Added by Stats. 1975, Ch. 486, effective September 2, 1975. Stats. 1986, Ch. 879, effective January 1, 1987, substituted “or 2230” for “, 2230, or 2231” after “2229” in the first sentence, and substituted “The” for “Such” at the beginning of the second sentence.

**2243. Periods for which reimbursement estimates to be prepared.** The estimate required by Section 2242 shall be the amount estimated to be required during the first fiscal year of a bill’s operation in order to reimburse local agencies and school districts, pursuant to Section 2229 or 2230, for lost revenue mandated by the bill. In the event that the operative date of such a bill does not begin on July 1, the estimate shall also include the amount estimated to be required for reimbursement for the next following full fiscal year.

History.—Added by Stats. 1975, Ch. 486, effective September 2, 1975. Stats. 1986, Ch. 879, effective January 1, 1987, substituted “or 2230” for “, 2230, or 2231” after “2229”, substituted “lost revenue” for “costs” after “for”, and substituted “the” for “such” after “mandated by” in the first sentence.

**2244. Legislative amendments requiring state reimbursement.** In the event that a bill is amended on the floor of either house, whether by adoption of the report of a conference committee or otherwise, in such a manner as to require reimbursement pursuant to Section 2229 or 2230, the Legislative Counsel shall immediately inform, respectively, the Speaker of the Assembly and the President of the Senate of this fact. The notification from the Legislative Counsel shall be published in the journal of the respective houses of the Legislature.

History.—Added by Stats. 1975, Ch. 486, effective September 2, 1975. Stats. 1986, Ch. 879, effective January 1, 1987, substituted “or 2230” for “, 2230, or 2231” after “2229” and substituted “this” for “such” after “Senate of” in the first sentence, and substituted “The” for “Such” in the beginning of the second sentence.

**2245. Appropriations.** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

**2246. Annual review of statutes and annual report to legislature.** (a) Before the end of each calendar year the Department of Finance shall review all statutes enacted during that calendar year which contain provisions making inoperative Section 2229 or 2230, or Section 17561 or 17565 of the Government Code that have resulted in costs or revenue losses mandated by the state which were not identified when the statute was enacted. The review shall identify the costs or revenue losses involved in complying with the provisions of the statutes. The Department of Finance shall also review all statutes enacted in the calendar year which may result in cost savings authorized by the state. The Department of Finance shall submit to the Legislature an annual report of the review required by this section, together with the recommendations as it may deem appropriate.

(b) This section shall become inoperative on July 1, 1996, and as of January 1, 1997, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 1997, deletes or extends the dates on which it becomes inoperative and is repealed.

History.—Stats. 1977, Ch. 1135, in effect January 1, 1978, designated first paragraph as subdivision (a) and substituted “(1)” and “(2)” for “(i)” and “(ii)”. Also in subdivision (a) added “2234”, substituted “subdivision” for “section” and added “or revenue losses” in the second sentence. Added subdivision “(b)”. Stats. 1978, Ch. 794, in effect September 18, 1978, added the word “section” for the word “subdivision”, and deleted subdivision (b). Stats. 1980, Ch. 1337, in effect January 1, 1981, added the third sentence. Stats. 1982, Ch. 734, in effect September 8, 1982, added “which create costs mandated by the state and do not contain a “sunset” provision as required by subdivision (b) of Section 2231.5 or (3)” after “(2)” in the first sentence, and made several minor grammatical changes in this section. Stats. 1985, Ch. 179, effective July 8, 1985, operative retroactively to January 1, 1985, deleted “(2) which create costs mandated by the state and do not contain a “sunset” provision as required by subdivision (b) of section 2231.5 or” after “2234 or”, and renumbered former subsentence (3) as (2) in the first sentence. Stats. 1986, Ch. 879, effective January 1, 1987, substituted “that” for “such” after “enacted during”, deleted “(1)” after “calendar year which”, and substituted “or 2230 or Section 17561 or 17565 of the Government Code that” for “, 2230, 2231, or 2234 or (2)” in the first sentence. Stats. 1995, Ch. 945, in effect January 1, 1996, added subdivision letter designation (a) before first paragraph, and added subdivision (b).

**2246.1. Annual report by Legislative Analyst.** [Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

**2246.2. Reimbursement for statutes which increase the penalty for a crime or infraction.** The Director of Finance shall include in the Governor’s Budget an appropriation for statutes identified pursuant to Section 2246 which increase the penalty for a crime or infraction if the director determines that the statutes would increase the total detention and probation costs to local agencies by more than 1 percent of the actual

statewide detention and probation costs incurred in the preceding fiscal year, as compiled by the Controller pursuant to Section 12463 of the Government Code. The director shall rely on written requests from affected local agencies, supported by fiscal data. Any funds so appropriated shall be used to reimburse only one-half of the costs incurred by local agencies in excess of the amounts determined to be 1 percent of the actual detention and probation costs to local agencies in the preceding fiscal year. Funds shall be appropriated to the Controller for allocation and disbursement to local agencies.

History.—Added by Stats. 1982, Ch. 1638, in effect October 1, 1982.

### Article 3.5. Claims Against the State for Additional Reimbursement

[Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

- § 2250. State Board of Control to hear claims for additional state reimbursement. [Repealed.]
- § 2251. Membership of State Board of Control. [Repealed.]
- § 2252. Filing of claims; hearing procedures. [Repealed.]
- § 2253. Scope of claims. [Repealed.]
- § 2253.2. Time for public hearing; parameters and guidelines for reimbursement. [Repealed.]
- § 2253.3. Allocation formula or uniform allowance recommendation by Board of Control. [Repealed.]
- § 2253.4. Claiming instructions. [Repealed.]
- § 2253.5. Commencement of proceeding by state or claimant. [Repealed.]
- § 2253.8. Statute of limitations [Repealed.]
- § 2253.8. Eligibility date for claims. [Repealed.]
- § 2254. Scope of decisions. [Repealed.]
- § 2255. Annual report to legislature. [Repealed.]
- § 2255.1. Separate claims required. [Repealed.]

### Article 3.6. Claims for Offsetting Local Savings Against State Reimbursements

[Repealed by Stats. 1986, Ch. 879, effective January 1, 1987.]

- § 2256. State Board of Control to hear claims for offsetting local savings against state reimbursement. [Repealed.]
- § 2256.1. Filing of claims; hearing procedures. [Repealed.]
- § 2256.2. Time for public hearing; parameters and guidelines for identifying cost savings. [Repealed.]
- § 2256.3. Annual report to Legislature. [Repealed.]
- § 2256.4. Allocation formula based on actual savings. [Repealed.]
- § 2256.5. Report of cost savings realized previously; reduction in payments. [Repealed.]
- § 2256.6. Commencement of proceeding by state or claimant. [Repealed.]

### Article 4. Maximum Property Tax Rates \* †

- § 2260. Maximum rates; rates excluded in determining.
- § 2260.5. Maximum rates; comparison of rates having different assessment ratios.
- § 2261. Maximum rate; counties.
- § 2261.1. Maximum rate; counties; exception.
- § 2261.2. Maximum rate; decrease.

\* Article 4 shall not apply to property tax rates for the 1978–1979 fiscal year.

† Section 60 of Stats. 1979, Ch. 282, in effect July 24, 1979, provided that Article 4 shall not apply to property tax rates for the 1979–80 fiscal year.

- § 2262. Maximum rate; cities.
- § 2262.1. Adjustment of rate by cities. [Repealed.]
- § 2262.2. Formation of a district by a city.
- § 2263. Maximum rate; special districts.
- § 2263.1. Special districts formed between January 1, 1972, and August 31, 1973.
- § 2263.2. Special districts formed after August 31, 1973.
- § 2263.3. Adjustment of rate; special districts. [Repealed.]
- § 2263.4. Maximum rate; harbor districts.
- § 2264. Maximum rate when alternate method for levying tax rate in special district is followed.
- § 2265. Voters may establish maximum rate.
- § 2266. Alternate procedure to establish maximum rate.
- § 2266.1. Maximum rate for special districts when roll not based on full cash value.
- § 2266.2. "Property tax revenue."
- § 2266.5. Alternate procedure to establish maximum rate.
- § 2267. Maximum rate when 1971-72 or 1972-73 roll is in error.

**2260. Maximum rates; rates excluded in determining.** The maximum property tax rates for local agencies shall be those established pursuant to the provisions of this article or of Article 6, 7 or 8 of this chapter (commencing with Section 2201) and shall exclude the following from the determination thereof: (1) any property tax rate levied to pay the cost of interest and redemption charges on bonded or other indebtedness which was authorized prior to the effective date of this section, together with any reserve or sinking funds required in connection therewith; (2) any property tax rate levied to pay the cost of interest and redemption charges on bonded or other indebtedness which was authorized after the effective date of this section by the voters of such agency, together with any reserve or sinking funds required in connection therewith; (3) any property tax rate levied to pay the cost of interest charges on notes of a local agency issued in anticipation of bonds, if such bonds were authorized prior to the effective date of this section or were authorized by the voters of such agency after the effective date of this section, and if the principal amount of any such notes is payable only from proceeds of the sale of such bonds; (4) any property tax rate levied to pay the cost of interest and redemption charges on refunding bonds or on bonds issued pursuant to Section 53541 of the Government Code or Section 71960 of the Water Code, together with any reserve or sinking funds required in connection therewith; (5) any property tax rate levied to pay the cost of retirement and pension benefits or plans which are being provided pursuant to provisions of a city or county charter or which have been specifically approved by the voters of a local agency; (6) any property tax rate levied to pay the cost of payments or contributions which are required to be made to a special fund by specific provision of a city or county charter; (7) any property tax rate levied pursuant to a city charter procedure ordinance for the purpose of paying principal and interest on assessment bonds or for the purpose of paying annual costs of maintenance and operation of improvements financed pursuant to city charter procedure, when the levy is

made in relation to benefits derived and not in accordance with the last equalized city or county assessment roll; and (8) any property tax rate levied on behalf of a county superintendent of schools.

**History.**—Stats. 1975, Ch. 486, p. 1003, in effect September 2, 1975, substituted “or plans which are being provided pursuant to provisions of a city or county charter or which have been specifically approved” for “provided pursuant to laws which have been approved” in subdivision (5).

**2260.5. Maximum rates; comparison of rates having different assessment ratios.** For the purpose of establishing maximum property tax rates, whenever there is a comparison of rates between two or more years that have different assessment ratios or methods of expressing the tax rate, the rates and ratios shall be adjusted as provided in Section 135.

**History.**—Added by Stats. 1978, Ch. 1207, in effect January 1, 1979, operative January 1, 1981.

**2261. Maximum rate; counties.** The maximum property tax rate which may be levied by any county for general purposes shall be the combination of all countywide property tax rates which were levied for general county purposes in either the 1971–1972 or the 1972–1973 fiscal year, at the option of the board of supervisors.

**2261.1. Maximum rate; counties; exception.** (a) Any county which was providing structural fire protection services in unincorporated areas of the county during the 1971–1972 or the 1972–1973 fiscal years and which did not levy a property tax for such services as provided in Section 25643 of the Government Code, may establish a maximum property tax rate for such areas as provided in this section. The maximum property tax rate for such areas shall be determined in the manner provided in subdivisions (b) and (c) of Section 2264.

(b) Whenever a maximum property tax rate has been established for an unincorporated area as provided in subdivision (a), such unincorporated area shall be a “special district”, as provided in Section 2216, for all purposes of this chapter.

**History.**—Added by Stats. 1975, Ch. 486, p. 1003, in effect September 2, 1975.

**2261.2. Maximum rate; decrease.** Whenever a county board of supervisors adopts the provisions of Sections 42649 and 85265.5 of the Education Code and thereby transfers certain duties of the county auditor to the county superintendent of schools as provided therein, the maximum tax rate of the county shall, commencing with the fiscal year following the effective date of such transfer, be decreased by an amount which, if levied in such fiscal year, would produce annual revenues equivalent to the expenditures from the county general fund used to provide such services of the county auditor in the fiscal year immediately prior to the date of the transfer of functions to the county superintendent of schools.

**History.**—Added by Stats. 1977, Ch. 533, in effect September 3, 1977.

**2262. Maximum rate; cities.** The maximum property tax rate which may be levied by any city shall be:

(1) For general law cities, the aggregate of all citywide property tax rates which were levied for general city purposes in either the 1971–1972 or the

1972–1973 fiscal year, at the option of the city council; provided that if the aggregate of such property tax rates was less than one dollar (\$1) in both the 1971–1972 and the 1972–1973 fiscal years, the maximum property tax rate for such cities shall be one dollar (\$1). In addition, any property tax rate authorized by the voters of a city as provided in Section 43068 of the Government Code which was not levied as part of the aggregate of citywide taxes in the fiscal year selected by the city council pursuant to this subdivision may also be levied.

(2) For charter cities, the maximum rate, or rates, specified in the charter; provided that any rate in excess of such maximum rate which is authorized by Section 43072 of the Government Code or by Section 35 of Chapter 1 of the Statutes of 1968 (First Extraordinary Session) and which was levied during either the 1971–1972 or the 1972–1973 fiscal year may continue to be levied. If no maximum rate is specified in the charter, or if a maximum rate is specified but such rate is applicable only to a portion of the purposes for which such city is levying an ad valorem property tax, the maximum rate shall be the rate levied by the city for either the 1971–1972 or the 1972–1973 fiscal year, at the option of the city council. In addition, if the voters of a charter city, pursuant to provisions of the charter or of general law, have authorized an additional rate, such augmented rate shall be the maximum property tax rate.

History.—Stats. 1977, Ch. 309, in effect July 8, 1977 added “or if a maximum rate is specified but such rate is applicable only to a portion of the purposes for which such city is levying an ad valorem property tax,” to paragraph (2).

**2262.1. Adjustment of rate by cities.** [Repealed by Stats. 1977, Ch. 309, in effect July 8, 1977.]

**2262.2. Formation of a district by a city.** A local agency or district formed by a city after the effective date of this chapter to take over and perform services theretofore provided by a county service area for the same territory, may adjust, or cause to be adjusted, upwards, its maximum property tax rate in that territory by an amount equal to the tax rate previously levied, or which could have been levied, by the county service area (including any additional levies permitted by Section 2280), had it continued to provide those services for the territory provided that the county service area is no longer empowered to tax or does not tax the territory covered by the city’s local agency or district.

History.—Added by Stats. 1978, Ch. 291, in effect January 1, 1979.

**2263. Maximum rate; special districts.** The maximum property tax rate which may be levied by, or on behalf of, a special district formed prior to January 1, 1972, shall be:

(1) The maximum property tax rate authorized by the enabling statute under which the district is organized; provided that any rate in excess of such maximum rate which is authorized by Section 35 of Chapter 1 of the Statutes of 1968 (First Extraordinary Session) and which was levied during either the 1971–1972 or the 1972–1973 fiscal year may continue to be levied.

(2) If no such maximum property tax rate is provided by statute, or if a maximum property tax rate is provided but such rate is applicable only to a portion of the purposes for which such district is levying an ad valorem property tax, the maximum rate shall be the rate levied by, or on behalf of, the district for either the 1971-1972 or the 1972-1973 fiscal year, at the option of the governing body of the district. If a district operates on a calendar year, the maximum rate which may be levied pursuant to this subdivision shall be that levied in either calendar 1972 or calendar 1973, at the option of the governing body of the district.

(3) In addition, if the voters of a district, pursuant to provisions of the enabling statute under which the district is organized, have authorized an additional rate, such augmented rate shall be the maximum property tax rate.

History.—Stats. 1977, Ch. 309, in effect July 8, 1977, added “formed prior to January 1, 1972” to first sentence.

**2263.1. Special districts formed between January 1, 1972, and August 31, 1973.** This section shall apply only to special districts formed between January 1, 1972, and the effective date of this section.

(a) For special districts the governing body of which is separately and directly elected by the qualified voters of the district, in the event that a maximum property tax rate cannot be established for such district pursuant to the provisions of Section 2263, the governing body may, by resolution, apply to the board of supervisors of the county in which the district, or the major portion of the assessed value thereof, is located to determine the maximum tax rate. Upon receipt of such a resolution the board of supervisors shall, by resolution, determine the maximum tax rate for the district. Such rate shall be sufficient to permit the district to provide the programs and services for which it was formed.

(b) For special districts the governing body of which is a city council, a board of supervisors or is appointed to office, in the event that a maximum tax rate cannot be established for such district pursuant to the provisions of Section 2263, the governing body may, by resolution, apply to the local agency formation commission in the county in which the district is located to determine the maximum tax rate. Upon receipt of such a resolution the local agency formation commission shall hold a hearing and shall determine the maximum tax rate for the district. Such rate shall be sufficient to permit the district to provide the programs and services for which it was formed. Procedures for holding such a hearing and making such a determination shall follow, as nearly as is practicable, the procedures provided in the District Reorganization Act (Division 1 (commencing with Section 56000) of Title 6 of the Government Code) for hearing and determination by a local agency formation commission.

**2263.2. Special districts formed after August 31, 1973.** After the effective date of this section the formation of a special district shall not be effective for property tax purposes unless a maximum property tax rate has been established by the voters of the district pursuant to the provisions of

Article 6 (commencing with Section 2285) provided, however, that the maximum property tax rate for a maintenance district formed pursuant to the Improvement Act of 1911 or the Municipal Improvement Act of 1913 may be established prior to or concurrently with the formation of such district by any petition or by supplemental written consent executed by property owners holding at least 60 percent in area of the land to be benefited. The procedures for such petition or supplemental written consent shall follow the procedures provided in the Majority Protest Act of 1931.

**2263.3. Adjustment of rate; special districts.** [Repealed by Stats. 1977, Ch. 309, in effect July 8, 1977.]

**2263.4. Maximum rate; harbor districts.** Notwithstanding paragraph (2) of Section 2263, the maximum property tax rate which may be levied by, or on behalf of, a harbor district shall be the greater of three cents (\$0.03) per one hundred dollars (\$100) of assessed valuation or the rate levied by, or on behalf of, the district for either the 1971–1972 or the 1972–1973 fiscal year, at the option of the governing body of the district. If a district operates on a calendar year, the maximum rate which may be levied pursuant to this subdivision shall be the greater of three cents (\$0.03) per one hundred dollars (\$100) of assessed valuation or that levied in either calendar 1972 or calendar 1973, at the option of the governing body of the district. Beginning in the 1981–82 fiscal year, the maximum property tax rate which may be levied shall be the greater of 75/10,000 of 1 percent of assessed valuation or the rate levied by, or on behalf of, the district for either the 1971–72 or the 1972–73 fiscal year, at the option of the governing body of the district. If a district operates on a calendar year, the maximum rate which may be levied pursuant to this section shall be greater of 75/10,000 of 1 percent of assessed valuation or that levied in either calendar year 1972 or calendar year 1973, at the option of the governing body of the district.

In addition, if the voters of a district, pursuant to provisions of the enabling statute under which the district is organized, have authorized an additional rate, such augmented rate shall be the maximum property tax rate.

History.—Added by Stats. 1976, Ch. 459, p. 1194, in effect January 1, 1977. Stats. 1980, Ch. 1208, in effect January 1, 1981, added the third and fourth sentences to the first paragraph.

**2264. Maximum rate when alternate method for levying tax rate in special district is followed.** In the event that a local agency elects to follow the provisions of Part 3.5 (commencing with Section 2131) of this division, for levying a property tax rate in certain special districts, the maximum property tax rate for such districts shall be determined as provided in this section. For all purposes of this chapter, such maximum property tax rate shall be applied to the total assessed value within such district. In such situations the actual property tax rate for such a district shall be levied in each county in which the district is situated as provided in Part 3.5 without regard to the limitations provided elsewhere in this article.

(a) If a maximum property tax rate is provided in the enabling statute under which the district is organized, the maximum property tax rate for the district shall be the rate provided by statute.

(b) If no maximum property tax rate is provided by statute, the maximum property tax rate for such a district shall be the rate determined by dividing the receivable property tax revenue of the district by the total assessed value within the district. The governing body of a district may elect, at its option, to use either the 1971–1972 or the 1972–1973 fiscal year as the basis for determining the maximum property tax rate pursuant to this subdivision.

(c) As used in this section:

(1) “Receivable property tax revenue” means the amount of revenue from ad valorem property taxation which a district would have received in any fiscal year if the district’s ad valorem property taxes for such year had been collected for all taxable property within the district, without regard to delinquencies, penalties or other modifications or adjustments.

(2) “Total assessed value within the district” means all assessed value in each county in which the district is located which is subject to ad valorem property taxation by, or on behalf of, such districts; plus the assessed value in each such county which is attributable to the homeowners’ property tax exemption and to the business inventory property tax exemption and which otherwise would have been subject to ad valorem property taxation by, or on behalf of, such district.

**2265. Voters may establish maximum rate.** In lieu of the maximum property tax rates established by other provisions of this article, the voters of a local agency may establish a maximum property tax rate for such agency pursuant to the provisions of Article 6 (commencing with Section 2285).

**2266. Alternate procedure to establish maximum rate.** This section shall provide an alternate procedure to the other provisions of this chapter for establishing maximum property tax rates.

The maximum property tax rate which may be levied by, or on behalf of, a local agency shall be a rate equivalent to the following:

(1) The maximum property tax rate which could have been levied for such agency pursuant to any provision of this chapter for the prior fiscal year, plus

(2) A property tax rate, not less than zero, on the secured roll which would produce an amount of property tax revenue equal to the following:

(a) The amount of property tax revenue which would be received by such agency in the current fiscal year by levying the rate identified in subparagraph (1) of this paragraph against the agency’s total assessed value for the current fiscal year, subtracted from

(b) The amount of property tax revenue which would be received by such agency in the current fiscal year if its property tax revenue from the prior year were to change by a percentage equal to the following: the percentage change

in the population of the agency (as determined pursuant to Sections 2227 or 2228) plus the percentage change in the cost of living (as determined pursuant to Section 2212) which is applicable to the agency.

As used in this section “property tax revenue from the prior year” means the revenue which would have been received by a local agency in the prior fiscal year by levying the maximum property tax rate authorized by this chapter against the total assessed value for such year.

As used in this section “total assessed value” means all assessed value subject to ad valorem property taxation by a local agency plus assessed value attributable to the homeowners’ property tax exemption and to the business inventory property tax exemption.

Any property tax rate established pursuant to this section shall be the maximum property tax rate for a local agency until such rate is subsequently changed or adjusted pursuant to the provisions of this section or other provisions of this chapter.

History.—Stats. 1977, Ch. 309, in effect July 8, 1977 substituted “chapter” for “article” in paragraph (1) and in the second paragraph of (2)(b). Also added “, not less than zero,” in paragraph (2) and added the fifth paragraph.

**2266.1. Maximum rate for special districts when roll not based on full cash value.** In the event that a special district employs a system of ad valorem property taxation in which the district assessment roll is not based upon the full cash value of the assessed property, the provisions of Section 2266 shall not apply to such district, and this section shall provide an alternate procedure to the other provisions of this article for establishing the maximum property tax rate of such district.

The maximum property tax rate which may be levied by, or on behalf of, a special district subject to the provisions of this section shall be a rate equivalent to the following:

(1) The rate established for such special district pursuant to the provisions of Section 2263, plus

(2) A rate obtained by multiplying the rate determined pursuant to subdivision (1) by the percentage change in the total assessed value of property within the district as shown on the current equalized secured assessment roll of the county, and the total assessed value of property within the district as shown on the equalized secured assessment roll of the county for the 1972–1973 fiscal year.

As used in this section, “total assessed value” shall have the same meaning as in Section 2266.

**2266.2. “Property tax revenue.”** As used in Section 2266, “property tax revenue” includes revenue distributed in the prior fiscal year to local government by the state pursuant to the Timber Yield Tax Law (Part 18.5 (commencing with Section 38101), Division 2).

History.—Added by Stats. 1976, Ch. 176, p. 323, in effect May 24, 1976.

**2266.5. Alternate procedure to establish maximum rate.** This section shall provide an alternate procedure to the other provision of this article for establishing maximum property tax rates.

In the event that a chartered city assesses property and collects taxes and transfers such functions to the county in which such city is located, the maximum tax rate for such city in the first fiscal year in which the transfer is effective shall be determined by multiplying the city's maximum tax rate for the preceding fiscal year by the same factor established by the State Board of Equalization to determine the public utility roll supplied to the city for such preceding fiscal year.

History.—Added by Stats. 1975, Ch. 631, p. 1366, in effect January 1, 1976.

**2267. Maximum rate when 1971-72 or 1972-73 roll is in error.** In the event that an error or omission occurred in determining the property tax rate which was levied by, or on behalf of, a local agency in either the 1971-1972 fiscal year or the 1972-1973 fiscal year, the maximum property tax rate for such agency for purposes of this chapter shall be the property tax rate which would have been levied, in either such fiscal year, if such error or omission had not occurred.

#### Article 5. Additional Property Tax Rates \* †

- § 2270. Additional rates for interest and redemption charges, retirement and pension benefits, payments to special funds.
- § 2271. Additional rates for costs mandated by the federal government or the courts.
- § 2271.1. Continuation of additional rates.
- § 2271.2. Advisory guidelines.
- § 2271.15. Continuation of additional rates; 1974 amendments to Fair Labor Standards Act.
- § 2272. Additional rates to comply with provisions of Streets and Highways, Government and Public Utility Codes.
- § 2273. Additional rates for contracts or leases signed before January 1, 1973.
- § 2273.1. Contracts or leases signed after January 1, 1973, but formal action taken to implement before that date.
- § 2273.2. Contract or lease with federal government or state.
- § 2274. Additional rates for emergency or general disaster.
- § 2275. Additional rates for emergency or disaster damage to agency works or facilities.
- § 2276. Additional rate for error in determining rate.
- § 2277. Additional rate for cost of election.
- § 2278. Additional rate for cost of governmental reorganization.
- § 2279. Additional rate for costs of purchasing electrical power.
- § 2279.1. Additional rate for interest and redemption charges.
- § 2280. Additional rate for extraordinary costs of purchasing electricity.
- § 2280.01. Additional rate for local agency.
- § 2280.1. Additional rate to comply with government code.

**2270. Additional rates for interest and redemption charges, retirement and pension benefits, payments to special funds.** A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter (commencing with Section 2201) to pay the cost of: (1) interest and redemption charges on bonded or other indebtedness authorized prior to the effective date of this section, together with any reserve or sinking funds required in connection therewith; (2) interest and redemption charges on bonded or other indebtedness authorized after the effective date of this section by the voters

\* Article 5 shall not apply to property tax rates for the 1978-79 fiscal year.

† Section 60 of Stats. 1979, Ch. 282, in effect July 24, 1979, provided that Article 5 shall not apply to property tax rates for the 1979-80 fiscal year.

of such agency, together with any reserve or sinking funds required in connection therewith; (3) interest charges on notes of a local agency issued in anticipation of bonds, if such bonds were authorized prior to the effective date of this section or were authorized by the voters of such agency after the effective date of this section, and if the principal amount of any such notes is payable only from proceeds of the sale of such bonds; (4) interest and redemption charges on refunding bonds or on bonds issued pursuant to Section 53541 of the Government Code or Section 71960 of the Water Code, together with any reserve or sinking funds required in connection therewith; (5) retirement and pension benefits or plans which are being provided pursuant to provisions of a city or county charter or which have been specifically approved by the voters of a local agency; and (6) payments or contributions which are required to be made to a special fund by specific provision of a city or county charter; provided, however, that this subdivision shall not apply to any city or county whose charter contains a provision permitting the governing body to suspend or defer such payments or contributions upon making a finding that statutory limitations on ad valorem property taxation limit the ability of the city or county to make such payments or contributions.

History.—Stats. 1975, Ch. 486, p. 1004, in effect September 2, 1975, substituted the balance of subsection (5) after “benefits” for “provided pursuant to laws which have been approved by the voters of such agency”.

**2271. Additional rates for costs mandated by the federal government or the courts.** A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter (commencing with Section 2201) to pay costs mandated by the federal government or costs mandated by the courts or costs mandated by initiative enactment, which are not funded by federal or state government.

The Controller may audit any rate imposed under this section and any data related to the establishment thereof. If the Controller determines that such rate exceeds a rate which would be necessary to meet the federally mandated, initiative-mandated or court-mandated costs, or if the Controller determines that such rate has been levied to pay any cost mandated by a court which has resulted from litigation entered into in order to avoid the property tax rate limits established by this chapter, or if the Controller determines that a local agency has erroneously concluded that it is subject to costs mandated by the courts or costs mandated by the federal government, he shall immediately notify the local agency of such determination, and the local agency shall reduce its property tax rate by an appropriate amount for the next succeeding fiscal year. In the event that a local agency fails to make such a reduction in its property tax rate, the Controller shall request the Attorney General to bring an action under Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure to force a reduction in the rate.

History.—Stats. 1975, Ch. 486, p. 1004, in effect September 2, 1975, added “or costs mandated by initiative enactment,” after “courts” in the first sentence of the first paragraph; added “, initiative-mandated” after “federally mandated”, and substituted the balance of the second sentence of the second paragraph after “chapter,” for “he shall request the

**Attorney General to bring an action under Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure to force a reduction in the rate"; and added the third sentence of the second paragraph. Stats. 1977, Ch. 309, in effect July 8, 1977 added "for the next succeeding fiscal year" in the second paragraph.**

**Construction.**—In determining whether a program is federally mandated so as to exempt its cost from a local government's statutory taxation limit and so as to exclude any appropriation required to comply with the mandate from the Article XIII B, Section 9(b) constitutional spending limit of the affected entity, the court must consider the nature and purpose of the federal program; whether its design suggests an intent to coerce; when state and or local participation began; the penalties, if any, assessed for withdrawal or refusal to participate or comply; and any other legal and practical consequences of nonparticipation, noncompliance, or withdrawal. The courts and the Commission on State Mandates must respect the governing principle of Article VIII B, Section 9(b): Neither state nor local agencies may escape their spending limits when their participation in federal programs is truly voluntary. *City of Sacramento v. State of California*, 50 Cal.3d 51.

**2271.1. Continuation of additional rates.** An additional property tax heretofore or hereafter levied pursuant to the provisions of Section 2271 shall not be invalidated and may continue to be levied to meet recurring costs resulting from any program or activity undertaken or implemented by a local agency in order to comply with a mandate by the federal government, by initiative enactment or the courts, notwithstanding the reversal, repeal, stay, or invalidation of such mandate, if the reversal, repeal, stay, or invalidation of the mandate occurred or occurs after the local agency has made such additional levy to satisfy continuing contractual obligations entered into in order to undertake, implement or continue the mandated program or activity.

The additional rate shall not continue to be levied if the reversal, repeal, stay, or invalidation of the mandate is upheld by a final court order.

**History.**—Added by Stats. 1975, Ch. 108, p. 180, in effect June 8, 1975. Stats. 1975, Ch. 486, p. 1005, in effect September 2, 1975, substituted "property tax" for "levy", substituted "levied" for "made", added ", by initiative enactment" after "government", and substituted the balance of the first sentence of the first paragraph after "levy" for "or has incurred continuing obligations in order to undertake or implement the mandated program or activity"; and added the second paragraph.

**2271.2. Advisory guidelines.** The Controller shall issue, and shall revise, as needed, advisory guidelines to assist local agencies in determining when an additional property tax rate may be levied pursuant to Section 2271.

**History.**—Added by Stats. 1975, Ch. 486, p. 1005, in effect September 2, 1975. Stats. 1977, Ch. 309, in effect July 8, 1977 substituted "issue" for "prepare", "to assist" for "for use by" and added "as needed". Deleted "annually" between "shall" and "revise".

**2271.15. Continuation of additional rates; 1974 amendments to Fair Labor Standards Act.** Notwithstanding the provisions of Section 2271.1, an additional levy made prior to January 1, 1976, pursuant to the provisions of Section 2271 to pay costs mandated by the 1974 amendments to the Fair Labor Standards Act, or regulations issued pursuant thereto, shall not be invalidated and may continue to be made to meet recurring costs resulting from any program or activity undertaken or implemented by a local agency in order to comply with such amendments or regulations, notwithstanding the repeal, stay or invalidation of such amendments or regulations, if the repeal, stay or invalidation of such amendments or regulations occurs or occurred after the local agency has made such additional levy or has incurred continuing obligations in order to implement the mandated program or activity.

**History.**—Added by Stats. 1976, Ch. 586, p. 1425, in effect August 25, 1976.

**2272. Additional rates to comply with provisions of streets and highways, government and public utility codes.** A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter (commencing with Section 2201) for the purpose of complying with Sections 5302.5, 6467, 6468, 8809, and 10206 of the Streets and Highways Code or with Section 43240 of the Government Code or with Article 1 (commencing with Section 13371) of Chapter 7.5 of Division 6 of the Public Utilities Code.

**2273. Additional rates for contracts or leases signed before January 1, 1973.** (a) A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter (commencing with Section 2201) for the purpose of meeting the costs of written contractual obligations, leases and agreements, including determinations made pursuant to the Meyers-Milas-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code), which were entered into, or authorized by the governing body or by the voters of such agency, prior to January 1, 1973, if:

(1) The local agency incurred no costs or budgeted no expenditures under the contractual obligation or agreement during the 1972-1973 fiscal year but will incur such costs in subsequent fiscal years, or

(2) The local agency did incur costs pursuant to the contractual obligation or agreement in the 1972-1973 fiscal year, but in subsequent fiscal years such costs increase in an amount which exceeds either the growth rate in the local agency's assessed value or its growth rate in population and cost of living as determined pursuant to Section 2212 and Sections 2227 or 2228.

(b) The additional rate which may be levied to meet costs described in paragraph (1) of subdivision (a) shall be that rate in each fiscal year which produces the amount of revenue needed to meet the actual annual costs of the contract or obligation.

(c) The additional rate which may be levied in each fiscal year to meet costs described in paragraph (2) of subdivision (a) shall be that rate which produces an amount of revenue equal to the difference between (i) the cost of the contract for the current year and (ii) the adjusted base year cost of the contract. Such adjusted base year cost shall be determined as follows: (i) for the 1973-1974 fiscal year, the actual cost of the contract in the 1972-1973 fiscal year shall be multiplied by either the percentage increase in population and the cost of living or the percentage increase in assessed value which is applicable to the local agency, whichever is greater. The product of such multiplication plus the actual cost of the contract during the 1972-1973 fiscal year shall be the adjusted base year cost of the contract; (ii) for each subsequent fiscal year, the adjusted base year cost of the contract of the prior year shall be multiplied by either the percentage increase in the cost of living and population or the percentage increase in assessed value which is applicable to the local agency, whichever is greater. The product of such multiplication plus the adjusted base year cost of the contract in the prior fiscal year shall be

the adjusted base cost of the contract in the current year. For the 1981-82 fiscal year, the assessed value for the 1980-81 fiscal year shall be multiplied by four prior to calculating the percentage increase in assessed value.

(d) No local agency may levy an additional rate as provided in this section after the termination of the contractual obligation or agreement described in subdivision (a); provided that a local agency may continue to levy an additional rate equal to the rate levied for the entire last year of such a contract or agreement if (i) the local agency enters a new contractual obligation which provides for substantially similar kinds of services or goods as the terminated contract, and (ii) the new contractual obligation concerns personal services, consumable goods or personal property and does not in any manner involve real property as defined in Section 104.

The additional property tax rate authorized by this section shall apply (i) to contractual obligations arising from the exercise of options and (ii) to contractual obligations arising from contingent promises. Except as specifically provided by this section, the additional property tax rate authorized by this section does not apply to contractual obligations incurred by mutual agreement of the contracting parties after January 1, 1973.

*History.—Stats. 1980, Ch. 1208, in effect January 1, 1981, added the fifth sentence to subdivision (c).*

**2273.1. Contracts or leases signed after January 1, 1973, but formal action taken to implement before that date.** The provisions of Section 2273 shall apply to a contract or lease signed after January 1, 1973, if a local agency, in anticipation of such contract, shall have taken formal action prior to January 1, 1973, to implement one or more projects to be acquired or constructed pursuant to such contract.

“Formal action to implement any one or more projects” means:

(a) The incurring of a liability for a substantial portion of an architectural or engineering contract relating to the project; or

(b) The acquisition of land or improvements for the project.

**2273.2. Contract or lease with federal government or state.** If, prior to January 1, 1973, a local agency was a party to any contract or lease, the terms of which provide (1) that the local agency shall make payments to the federal government, the State of California or any other local agency and (2) that the governing body of such local agency shall, whenever necessary, levy an ad valorem property tax sufficient to provide for all payments under the contract or lease in a timely manner, such local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter (commencing with Section 2201) for the purpose of making such payments as are required by such contract or lease; provided, that, the provisions of this section shall apply to a contract or lease signed after January 1, 1973, which contains the terms stated in (1) and (2) above if the terms of such contract or lease are designed to prevent an increase in the burden on the taxpayers of the local agency by means of

providing for a reduction in payments under a contract or lease signed before January 1, 1973, to which this section is applicable, in amounts at least equal to the payments required under the contract or lease signed after January 1, 1973.

History.—Stats. 1974, Ch. 1261, p. 2735, in effect January 1, 1975, added the balance of the sentence after “required by such contract or lease”.

**2274. Additional rates for emergency or general disaster.** (a) In the event of an emergency which constitutes a danger to the public health, safety or welfare, or of a general disaster, which requires a local agency to incur additional costs which cannot be met under the maximum property tax rates provided by this chapter (commencing with Section 2201), a local agency may levy, or have levied on its behalf, an additional rate which will produce 1 percent of the amount produced by its maximum property tax rate. Such a rate shall be authorized by a two-thirds vote of the governing body and shall be levied for one year only.

In the event that the property tax rate has been set when an additional rate is authorized pursuant to this subdivision, such additional rate may be levied in the next following fiscal year.

(b) If the additional rate authorized by subdivision (a) is not sufficient to meet the costs incurred as a result of the emergency or general disaster, a local agency may, by resolution, request the Controller to authorize an additional amount of ad valorem property taxation in excess of that authorized pursuant to subdivision (a).

The local agency shall, upon request of the Controller, provide the Controller with such facts and evidence as will enable him to authorize an additional amount pursuant to the provisions of this subdivision.

Upon receipt of the resolution requesting the authorization of an additional amount, the Controller shall hold a public hearing within the jurisdiction of the local agency or as near thereto as is practicable. At the conclusion of the hearing he shall authorize an additional amount if he makes the following findings: (1) An emergency or general disaster does exist the costs of which cannot be met under the agency’s maximum property tax rate and under the additional tax rate provided in subdivision (a). (2) Such costs are the responsibility of the local agency and cannot be met from revenue sources other than the property tax. (3) Such costs are not within the immediate control of the local agency but are due rather to general economic, environmental, or social conditions, or any of them, or acts of God. Environmental conditions shall include orders of the State Water Resources Control Board or regional water quality control boards. (4) The emergency or general disaster endangers public health, safety or welfare.

The additional amount authorized pursuant to this subdivision may be raised during a single fiscal year or, at the discretion of the local agency, a portion of such amount may be raised in each of several fiscal years.

In any fiscal year a local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter which will be sufficient to produce the amount authorized pursuant to this subdivision, or the portion thereof which the local agency has determined will be raised in such fiscal year.

**History.**—Stats. 1974, Ch. 457, p. 1079, in effect January 1, 1975, added “, environmental,” after “economic,” substituted “or any of them” for “or both”, and added the second sentence to subsection (3).

**Court action.**—Judicial review of the Controller’s action under Revenue and Taxation Code, Section 2274(b) must be taken by way of a suit for refund of taxes paid. *Malibu West Swimming Club v. Flournoy*, 60 Cal.App.3d 161.

**2275. Additional rates for emergency or disaster damage to agency works or facilities.** A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter (commencing with Section 2201) to pay the cost of interest and redemption charges, together with any reserve or sinking funds required in connection therewith, on any note or other evidence of indebtedness which such agency is authorized by statute to issue in the event of emergencies involving major damage to, and destruction of, such agency’s works or facilities. Such rate shall be levied without regard to the provisions of Section 2274.

**2276. Additional rate for error in determining rate.** A local agency to which Section 2267 is applicable, may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to Section 2267 for the purpose of repaying any indebtedness which was incurred in order to pay the operating costs of such agency during the fiscal years in which an error or omission occurred in determining the property tax rate for such agency.

**2277. Additional rate for cost of election.** A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter (commencing with Section 2201) for the purpose of paying the actual cost of holding an election pursuant to the provisions of Article 6 (commencing with Section 2285).

**2278. Additional rate for cost of governmental reorganization.** In the event that a local agency is required to pay or is authorized to collect any fees, assessments, charges or obligations as a term or condition of a “governmental reorganization,” as such term is defined in Section 2295, the local agency may levy, or have levied on its behalf, a rate, in addition to the maximum property tax rate established pursuant to this chapter, for the purpose of paying or collecting the actual amount of such fees, assessments, charges, or obligations.

**2279. Additional rate for costs of purchasing electrical power.** (a) A local agency may levy, or have levied on its behalf, an additional rate for the 1974–75 fiscal year to obtain that portion of the costs of purchasing electrical power in the 1974–75 fiscal year to energize street

and highway lights in operating condition in the 1973-74 fiscal year not obtained by the maximum rate authorized by Article 4 (commencing with Section 2260) or by any section of this article.

(b) The additional rate authorized by this section is for the purpose of continuing the 1973-74 level of service. This section shall not apply to the costs of installing or maintaining street lights, to charges made for the recovery of street light installation costs, or to the cost of purchasing electric power to energize street or highway lighting not in service in the 1973-74 fiscal year.

(c) Any additional property tax rate levied pursuant to this section shall not be included for purposes of the alternative procedure in Section 2266.

(d) Any property tax levied by, or on behalf of, a local agency pursuant to this section shall be reported to the Controller at the same time and in the same manner as specified in Section 2325.

(e) This section shall remain in effect only until June 30, 1975, and as of such date is repealed.

History.—Added by Stats. 1974, Ch. 496, p. 1136, in effect July 11, 1974.

**2279.1. Additional rate for interest and redemption charges.** A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter for interest and redemption charges on amounts borrowed pursuant to Section 54902.1 of the Government Code.

History.—Added by Stats. 1974, Ch. 868, p. 1858, in effect January 1, 1975. Stats. 1975, Ch. 224, p. 604, in effect January 1, 1976, added "rate" after "tax", and substituted "Section 54902.1" for "Section 54702.1". Stats. 1979, Ch. 516, in effect January 1, 1980, renumbered the section which was formerly numbered 2279.

**2280. Additional rate for extraordinary costs of purchasing electricity.** A special district may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter in order to pay the extraordinary costs of purchasing electricity for use for street lighting which was in operating condition in the 1972-73 fiscal year. This section shall apply only to special districts that were in existence on January 1, 1976, and which have as their sole and exclusive purpose the provision of street lighting services. Such additional rate shall be determined in the following manner:

(1) The special district shall determine the actual cost of electricity used for street lighting purposes during the 1972-73 fiscal year.

(2) The special district shall then determine the property tax rate which, applied to such district's assessed valuation in the 1972-73 fiscal year, would have produced an amount of revenue equivalent to the costs determined pursuant to subdivision (1).

(3) Annually, the special district shall determine whether the property tax rate determined pursuant to subdivision (2) would be increased if such rate were adjusted as provided in Section 2266. If such property tax rate would be increased, it shall be adjusted in the manner provided in Section 2266.

(4) The property tax rate determined pursuant to subdivision (2), as such rate may have been adjusted pursuant to subdivision (3), shall then be applied to the district's assessed valuation for the current fiscal year. The resulting amount shall represent the cost of electricity for street lighting purposes which shall be funded, during the current fiscal year, out of such district's maximum property tax rate.

(5) The amount determined pursuant to subdivision (4) shall be subtracted from the actual cost to the district for the current fiscal year of electricity for street lighting which was in operating condition in the 1972-73 fiscal year. The amount resulting from such subtraction shall represent such district's extraordinary cost of purchasing electricity for street lighting purposes and the special district may levy such additional property tax rate as may be necessary to produce an amount of revenue equivalent to such extraordinary costs. If the amount resulting from such subtraction is a negative amount, the special district shall reduce its property tax rate as may be necessary to produce an amount of revenue which, when deducted from the actual cost to the district for the current fiscal year of electricity for street lighting, will not result in a negative balance.

*History.—Added by Stats. 1976, Ch. 461, p. 1195, in effect July 15, 1976.*

**2280.01. Additional rate for local agency.** (a) A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter for purposes authorized by this section.

(b) In the event that a local agency desires to levy a property tax rate for a specified purpose, it shall submit a proposal to levy such a tax to the qualified voters thereof for approval. The proposal shall specify the maximum rate to be levied.

(c) An election held pursuant to this section shall be called, held and conducted in the same manner as required by Article 6 (commencing with Section 2285).

(d) In the event that the qualified voters of a local agency approve an additional property tax rate as provided in this section, such tax rate may be levied for the purpose specified in the ballot proposition.

(e) Once the purpose for which the additional property tax rate was authorized has been accomplished, the additional rate shall terminate.

(f) The proposal may specify a date on which the special property tax rate shall terminate.

*History.—Added by Stats. 1977, Ch. 30, in effect January 1, 1978. Stats. 1979, Ch. 516, in effect January 1, 1980, renumbered the section which was formerly numbered 2280.*

**2280.1. Additional rate to comply with Government Code.** A city may levy, or have levied on its behalf, a rate in addition to the maximum tax rate established pursuant to this chapter in order to comply with the provisions of Section 43073 of the Government Code.

*History.—Added by Stats. 1977, Ch. 309, in effect July 8, 1977.*

Article 6. Tax Rate Limit Elections \* †

- § 2285. “Qualified voter of the local agency”; “landowner.”
- § 2286. Maximum rate for agency formed after effective date; rate on ballot of formation election; election to increase rate; vote.
- § 2287. Election according to law; mailed ballots. [Repealed.]
- § 2287.5. Maximum tax rate for local agencies formed without an election.
- § 2288. Election procedure when none provided in formation law.
- § 2289. Consolidation with other elections.

2285. **“Qualified voter of the local agency”; “landowner.”** For the purposes of this article, the term “qualified voter of the local agency” means a voter who meets the specific qualifications, if any, set forth for voters of that local agency for other purposes. If no such specific qualifications exist, the term means a registered voter, as defined in the Elections Code, residing within the area within which the election will be held; if there are no registered voters within that area, the term means a landowner, in which case each landowner shall have one vote. If such landowner is a partnership, joint tenancy or tenancy in common, the vote to which such landowner is entitled may be cast by any of the partners, joint tenants or tenants in common; provided that only one such vote shall be cast on behalf of the landowner. If such landowner is a corporation, the vote to which such corporation is entitled may be cast by any officer of such corporation who is empowered to act on behalf of the corporation.

As used in this section “landowner” means any person or corporation shown on the last equalized assessment roll as the owner of land; provided that where such person or corporation is no longer the owner, the term shall mean any person or corporation entitled to be shown as the owner on the next assessment roll.

History.—Stats. 1977, Ch. 309, in effect July 8, 1977, added the fourth sentence to first unnumbered paragraph and added “or corporation” to second paragraph.

2286. **Maximum rate for agency formed after effective date; rate on ballot of formation election; election to increase rate; vote.** (a) No local agency formed after the effective date of this chapter shall levy, or have levied on its behalf, any property tax rate, except an additional property tax rate authorized pursuant to Article 5 (commencing with Section 2270) of this chapter, unless a maximum property tax rate has been approved for such agency. If an election is held on the formation of a local agency, the maximum property tax rate for such agency shall be included in describing the local agency on the ballot in the formation question.

(b) In the event that a local agency which was in existence on the effective date of this chapter desires to change its maximum property tax rate, the governing body of such agency shall call a special election, pursuant to the provisions of this article, to approve a new maximum property tax rate for the agency.

\* Article 6 shall not apply to property tax rates for the 1978-79 fiscal year.

† Section 60 of Stats. 1979, Ch. 282, in effect July 24, 1979, provided that Article 6 shall not apply to property tax rates for the 1979-80 fiscal year.

(c) No maximum property tax rate described in subdivision (a) or (b) shall be approved except by a majority vote of the qualified voters of that local agency voting on the issue.

(d) Subdivisions (a), (b) and (c) of this section shall not apply to an improvement district formed prior to, or after, the effective date of this chapter for the purpose of levying an ad valorem tax as defined in Section 2202 of the Revenue and Taxation Code for the purpose of apportioning the costs of facilities and services made available by a local agency, so long as the total property tax rate within such improvement district does not exceed the maximum rate which could be levied upon the property therein by a local agency without regard to the existence of such improvement district.

(e) Subdivisions (a), (b) and (c) shall not apply to an improvement district formed for the purpose of issuing bonds if the issuance of such bonds has been approved by the electorate of such improvement district.

History.—Stats. 1977, Ch. 1136, in effect September 28, 1977 added “, except an additional property tax rate authorized pursuant to Article 5 (commencing with Section 2270) of this chapter,” in subdivision (a) and added subdivisions (d) and (e).

**2287. Election according to law; mailed ballots.** [Repealed by Stats. 2003, Ch. 296 (SB 66), in effect January 1, 2004.]

**2287.5. Maximum tax rate for local agencies formed without an election.** Whenever a local agency is formed without an election, there may be submitted to the agency declaring the formation, at the time of formation or within 30 days thereafter, consents to maximum property tax rate from all of the qualified voters of the local agency and, upon receipt of all consents, the maximum tax rate shall be declared approved by the agency declaring formation.

All consents to maximum tax rate shall be on forms provided by the agency declaring formation and shall contain substantially the language that would appear on the ballot if a maximum property tax rate election were to be held. Each consent shall show the name and address of the qualified voter, whose signature must be notarized. All consents shall be for the same maximum property tax rate. The county clerk shall verify the signatures on all consents and that the consents constitute all of the qualified voters in the local agency prior to a declaration of approval of the maximum property tax rate.

History.—Stats. 1978, Ch. 45, in effect March 17, 1978, added by Stats. 1978.

**2288. Election procedure when none provided in formation law.** A maximum property tax rate election held by a local agency formed under a law that does not provide a procedure for elections shall be conducted by the county elections official, as follows:

(a) The election shall be held not less than 74 days nor more than 120 days following the call of the election by the governing body of the local agency. The call of the election shall specify whether the election shall be by mailed ballots or not.

(b) Not less than 15 days nor more than 30 days before the election, the county clerk shall compile the index of voters eligible to vote in the election

as of the 30th day preceding the election, establish the election board, precinct boards, and precincts, as needed, and mail out the ballots or sample ballots.

(c) Except as provided herein, an election subject to this section shall be called, conducted, and canvassed as provided in the Elections Code for the calling, conducting, and canvassing of general elections.

(d) The local agency shall reimburse the county in full for the services performed by the county clerk upon presentation of a bill to the local agency.

(e) In the event that the governing body of a local agency authorizes the use of mailed ballots pursuant to Section 2287, the procedure to be used in mailing and canvassing the ballots shall be the procedure prescribed in Chapter 1 (commencing with Section 3000) of Division 3 and in Chapter 1 (commencing with Section 15000) of Division 15 of the Elections Code for the mailing and canvassing of absentee ballots; provided, however, that a ballot shall be mailed to each qualified voter and an application for a ballot shall not be required.

History.—Stats. 1994, Ch. 923, in effect January 1, 1995, substituted “that” for “which” after “a law” and substituted “elections official” for “clerk” after “county” in the first paragraph; substituted “an election . . . section” for “such elections” after “herein” in subdivision (c); substituted “Chapter 1 (commencing with Section 3000) of Division 3” for “Chapter 4 (commencing with Section 14600) of Division 9” after “prescribed in” and substituted “Chapter 1 (commencing with Section 15000) of Division 15” for “Chapter 7 (commencing with Section 18200) of Division 10” after “and in” in subdivision (e).

**2289. Consolidation with other elections.** Whenever possible, elections to approve maximum property tax rates shall be consolidated with other elections. In the event that an election to approve a maximum property tax rate is not consolidated with another election, the governing body calling the election shall state, in the resolution calling the election, the reasons why such consolidation is impracticable.

Article 7. Governmental Reorganization: Effect  
on Maximum Property Tax Rates \* †

- § 2295. "Governmental reorganization."
- § 2296. Maximum rate when boundary changed.
- § 2297. Maximum rate when boundary altered.
- § 2298. Election when necessary or desirable to exceed maximum rate.
- § 2299. Maximum rate on ballot in reorganization election.

**2295. "Governmental reorganization."** As used in this article "governmental reorganization" means any formation of, annexation to, detachment from, consolidation of, dissolution of, or other territorial adjustment in the boundaries of, a local agency. "Governmental reorganization" includes those boundary adjustments of local agencies which are not subject to the provisions of Chapter 6.6 (commencing with Section 54773) of Part 1, Division 2, Title 5 or of Division 1 (commencing with Section 56000) of Title 6 of the Government Code, as well as those boundary adjustments of local agencies which are subject to such provisions of the Government Code.

**2296. Maximum rate when boundary changed.** Except as provided in Section 2263.2, whenever a governmental reorganization occurs, the maximum property tax rate for any local agency whose boundaries are changed by such reorganization shall be determined as provided in this article.

**2297. Maximum rate when boundary altered.** In the event that the boundaries of a local agency are altered by a governmental reorganization, or that a local agency becomes responsible, as a result of a governmental reorganization, for providing a program or service it has not heretofore provided, the maximum property tax rate for such an agency, after the reorganization has occurred, shall continue to be the maximum property tax rate which had been established, pursuant to the provisions of this article or of Article 4, for such agency prior to the reorganization.

History.—Stats. 1974, Ch. 1085, p. 2312, in effect September 23, 1974, added "or that a local agency becomes responsible, as a result of a governmental reorganization, for providing a program or service it has not heretofore provided," after "governmental reorganization,".

**2298. Election when necessary or desirable to exceed maximum rate.** In the event that a governmental reorganization makes it necessary or desirable or a local agency to exceed the maximum property tax rate provided in Section 2297, the governing body of such agency shall call an election pursuant to the provisions of Article 6 to establish a new maximum property tax rate for such agency. Such an election may be consolidated with any election which may be called on the proposed governmental reorganization.

**2299. Maximum rate on ballot in reorganization election.** In the event that an election is required in order to approve and effectuate a governmental reorganization, the impartial analysis of the governmental

\* Article 7 shall not apply to property tax rates for the 1978-1979 fiscal year.

† Section 60 of Stats. 1979, Ch. 282; in effect July 24, 1979, provided that Article 7 shall not apply to property tax rates for the 1979-80 fiscal year.

reorganization prepared for the ballot pamphlet shall indicate the maximum property tax rate which will be applicable in the event the governmental reorganization is approved.

Article 8. Functional Consolidation: Effect on Maximum  
Property Tax Rates \* †

- § 2305. “Functional consolidation.”
- § 2306. Maximum rate when functional consolidation.
- § 2307. Reduction in maximum rate for transferring agency.
- § 2308. Additional rate for assuming agency.
- § 2309. Additional rate in fiscal year after consolidation.

**2305. “Functional consolidation.”** As used in this article “functional consolidation” means the transfer, from one local agency to another, of both of the following: (1) the responsibility for providing a program or a service to an area within the jurisdiction of the transferring agency and (2) the responsibility for levying a property tax rate within such area to pay the cost of such service or program. Functional consolidation does not refer to any transfer of responsibility for providing a program or a service when such transfer occurs as a result of a “governmental reorganization” as such term is defined in Section 2295; in such event, the maximum property tax rates for any affected local agency shall be determined solely as provided in Article 7 (commencing with Section 2295) of this chapter.

*History.—Stats. 1974, Ch. 1085, p. 2312, in effect September 23, 1974, added the second sentence.*

**2306. Maximum rate when functional consolidation.** Whenever a functional consolidation occurs, the maximum property tax rate for any local agency affected by such functional consolidation shall be determined as provided in this article.

**2307. Reduction in maximum rate for transferring agency.** The local agency which transfers a program or service shall reduce its maximum property tax rate as provided in this section. Such reduction shall be effective beginning with the fiscal year after the transfer has occurred.

(a) The local agency shall determine the actual cost of providing the transferred program or service during the last full fiscal year in which such function was provided.

(b) The local agency shall determine the amount of the costs determined pursuant to subdivision (a) which are attributable to expenses for general administration and capital outlay and which cannot be transferred to the agency assuming the responsibility for providing the program or service; provided that such amount shall not exceed 10 percent of the amount determined pursuant to subdivision (a).

(c) The local agency shall subtract the amount determined pursuant to subdivision (b) from the amount determined pursuant to subdivision (a).

\* Article 8 shall not apply to property tax rates for the 1978-1979 fiscal year.

† Section 60 of Stats. 1979, Ch. 282, in effect July 24, 1979, provided that Article 8 shall not apply to property tax rates for the 1979-80 fiscal year.

(d) The local agency shall determine the property tax rate which would have been required to produce the amount determined pursuant to subdivision (c) during the last full fiscal year in which the transferred program or service was provided and shall reduce its maximum property tax rate thereby.

**2308. Additional rate for assuming agency.** The maximum property tax rate for a local agency assuming the responsibility for providing a program or service and for levying a tax to pay the cost thereof, as a result of a functional consolidation, shall be the maximum property tax rate for such agency established prior to the functional consolidation plus such additional rate as may be necessary to pay the actual costs of providing such program or service.

The Controller may audit any rate imposed under this section and if he determines that the rate exceeds a rate which would be necessary to pay the actual costs incurred as a result of functional consolidation, he shall immediately notify the local agency of such determination and the local agency shall reduce its property tax rate by an appropriate amount for the next succeeding fiscal year. In the event that a local agency fails to make such a reduction in its property tax rate, the Controller shall request the Attorney General to bring an action under Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure to force a reduction in the rate.

History.—Stats. 1975, Ch. 486, p. 1005, in effect September 2, 1975, substituted the balance of the first sentence of the second paragraph after “shall” for “request the Attorney General to bring an action under Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure to force a reduction in the rate”, and added the second sentence of the second paragraph. Stats. 1977, Ch. 309, in effect July 8, 1977, added “for the next succeeding fiscal year” in the second paragraph.

**2309. Additional rate in fiscal year after consolidation.** Any adjustment in the maximum property tax rate of a local agency made pursuant to Section 2308 shall only be made in the first full fiscal year after the functional consolidation has occurred.

## Article 9. Reporting Tax Levies

- § 2325. Report of rate to Controller.
- § 2325.1. Error in establishing rate.
- § 2326. Failure to file report by October 15.
- § 2327. Failure to file report; exception.

**2325. Report of rate to Controller.** Annually, no later than 15 days after the property tax rate for a local agency has been fixed, each local agency shall report to the Controller, on a form to be specified by the Controller, the property tax rate levied by, or on behalf of, the agency for the current fiscal year. That information shall show the amount of the rate, if any, levied pursuant to Sections 2260, 2261, 2262, 2263, 2263.1, 2263.2, 2264, 2265, 2266, 2266.1, 2267, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279 and 2280. That information shall also show any property tax rate authorized or levied pursuant to the provisions of Article 6 (commencing with Section 2285), Article 7 (commencing with Section 2295), and Article 8

(commencing with Section 2305). Information with respect to any rate levied pursuant to Section 2270 shall also indicate the rate levied to pay interest and redemption charges on bonded indebtedness, the rate levied to pay the cost of retirement and pension benefits and the rate levied to make payments to special funds as required by charter. The Controller shall, by regulation, require any tax rate exempt from rate limitations imposed by this chapter to be reported in the manner specified by this section.

History.—Stats. 1974, Ch. 868, p. 1858, in effect January 1, 1975, substituted “2278, and 2279” for “2278” in the second sentence, and added the fourth sentence. Stats. 1977, Ch. 309, in effect July 8, 1977, deleted “2263.3” and added “2280”, and added the third sentence. Stats. 1983, Ch. 1281, in effect September 30, 1983, substituted “That” for “Such” before “information” in the second and third sentences, and deleted “2262.1” after “2262” in the second sentence.

**2325.1. Error in establishing rate.** In the event that the Controller determines that an error has occurred in establishing a property tax rate levied pursuant to any provision of this chapter, he shall immediately notify the local agency of such error and the local agency shall reduce its property tax rate by an appropriate amount for the next succeeding fiscal year. In the event that a local agency fails to make such a reduction in its property tax rate, the Controller shall request the Attorney General to bring an action under Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure to force a reduction in the rate.

History.—Added by Stats. 1975, Ch. 486, p. 1006, in effect September 2, 1975. Stats. 1977, Ch. 309, in effect July 8, 1977, substituted “any provision of this chapter” for “Article 4 (commencing with Section 2260) or Article 5 (commencing with Section 2270)” after “to”, and added “for the next succeeding fiscal year” after “amount” in the first sentence.

**2326. Failure to file report by October 15.** If a local agency fails to file a report required by Section 2325 by October 15, the Controller, in the succeeding fiscal year, shall reduce by 10 percent or five thousand dollars (\$5,000), whichever is less, the payment he is required to make to such agency based on claims filed pursuant to Section 16113 of the Government Code.

**2327. Failure to file report; exception.** For the 1973–74 fiscal year, the report required by Section 2325 shall be due by May 15, 1974. In succeeding fiscal years, the provisions of Sections 2326 shall be effective.

History.—Added by Stats. 1974, Ch. 263, p. 488, in effect May 20, 1974.